Please feel free to call me any time

Sincerely

(b) (6)

Senior Director
Customs and Border Protection
Elbit Systems of America
Phone (b) (6)
Mobile (b) (6)
(b) (6)
4700 Marine Creek Parkway
Fort Worth Texas 76179

Subject: meet w (b) (6), (b) (7)(C) and Martin
Location: Chief's Office

Start: Fri 9/28/2018 1:00 PM
End: Fri 9/28/2018 1:15 PM

Recurrence: (none)

Meeting Status: Meeting organizer

Organizer: PROVOST, CARLA (USBP)
Required Attendees: (b) (6), (b) (7)(C) MARTIN, JERRY B

Subject: meet w/ (b) (6), (b) (7)(C)
Location: Chief's Office

Start: Fri 9/14/2018 2:00 PM
End: Fri 9/14/2018 3:00 PM

Recurrence: (none)

Meeting Status: Meeting organizer

Organizer: PROVOST, CARLA (USBP)
Required Attendees: (b) (6), (b) (7)(C)

Subject: meet w/ (b) (6), (b) (7)(C) for Frontline profile
Location: Chief's Office

Start: Tue 9/4/2018 3:00 PM
End: Tue 9/4/2018 4:00 PM

Recurrence: (none)

Meeting Status: Meeting organizer

Organizer: PROVOST, CARLA (USBP)
Required Attendees: (b) (6), (b) (7)(C)

Subject: Meet w/ (b) (6) women's group reception
Location: The Nest at The Willard Hotel 1401 Pennsylvania Avenue

Start: Thu 9/6/2018 5:00 PM
End: Thu 9/6/2018 6:30 PM

Recurrence: (none)

Organizer: PROVOST, CARLA (USBP)

Washington Homeland Security Roundtable

Senior Executive Women's Group

invites you to join us for a reception to honor

Chief Carla Provost
United States Border Patrol

September 6, 2018
5:00-6:30pm

The Nest
The Willard Intercontinental Hotel

1401 Pennsylvania Avenue
Washington, DC 20004

(b) (6)

Subject: Meet w/ (b) (6), (b) (7)(C)
Location: Chief's Office

Start: Wed 9/5/2018 10:00 AM
End: Wed 9/5/2018 10:30 AM

Recurrence: (none)

Meeting Status: Meeting organizer

Organizer: PROVOST, CARLA (USBP)
Required Attendees: LUCK, SCOTT A (USBP)
Optional Attendees: (b) (6), (b) (7)(C)

(b) (6), (b) (7)(C)

1

Subject: meet w/SOCNORTH Commander
Location: Conference Room (b) (

Start: Thu 9/13/2018 10:00 AM
End: Thu 9/13/2018 11:00 AM

Recurrence: (none)

Meeting Status: Meeting organizer

Organizer: PROVOST, CARLA (USBP)
Required Attendees: PROVOST, CARLA (USBP); LUCK, SCOTT A (USBP); HUDSON, RICHARD M; (b) (6), (b) (7)(C)

Optional Attendees: (b) (6), (b) (7)(C)   (b) (6)   USSOCOM SOCNORTH
                       (b) (6) ; (b) (6), (b) (7)(C)
Resources: USBP CONFERENCE ROOM (b)

<<   Attachments:

        RE: SOCNORTH CDR Visit to NCR 9/13   (22.2KB)
>>

1

Subject: meet w/SOCNORTH Commander
Location: Conference Room (b)

Start: Thu 9/13/2018 10:00 AM
End: Thu 9/13/2018 11:00 AM

Recurrence: (none)

Meeting Status: Meeting organizer

Organizer: PROVOST, CARLA (USBP)
Required Attendees: PROVOST, CARLA (USBP); LUCK, SCOTT A (USBP); HUDSON, RICHARD M; (b) (6), (b) (7)(C)

Optional Attendees: (b) (6), (b) (7)(C)   (b) (6)   USSOCOM SOCNORTH
   (b) (6) ;(b) (6), (b) (7)(C)
Resources: USBP CONFERENCE ROOM (b)

RE: SOCNORTH
CDR Visit to NC...

(b) (6), (b) (7)(C)

From: (b) (6), (b) (7)(C)
Sent: Thursday, August 30, 2018 9:51 AM
To: (b) (6), (b) (7)(C)
Cc:
Subject: RE: SOCNORTH CDR Visit to NCR 9/13

B1, B2, (b) (6), (b) (7)(C) (optional), (b) (6), (b) (7)(C) and (b) (6), (b) (7)(C) (optional).

(b) (6), (b) (7)(C)
Associate Chief
Intelligence Division
U.S. Border Patrol HQ
Ofc (b) (6), (b) (7)(C)
Cel

From: (b) (6), (b) (7)(C)
Sent: Thursday, August 30, 2018 9:33 AM
To: (b) (6), (b) (7)(C)
Cc:
Subject: RE: SOCNORTH CDR Visit to NCR 9/13

Chief, Thursday, 9/13, 10 – 11 am will work. Who do you want me to include on the invite? Thank you.

(b) (6), (b) (7)(C)
Assistant Chief
Adjutant to Chief Carla Provost
U.S. Border Patrol/Headquarters

(b) (6), (b) (7)(C) Office
                     iPhone

From: (b) (6), (b) (7)(C)
Sent: Wednesday, August 29, 2018 3:55 PM
To: (b) (6), (b) (7)(C)

Subject: RE: SOCNORTH CDR Visit to NCR

B2 could do 10-11. Not sure if it will work with B1 due to the 9:10.

(b) (6), (b) (7)(C)
Operations Officer, Adjutant to Deputy Chief Scott A. Luck
Department of Homeland Security | U.S. Border Patrol
☎(b) (6), (b) (7)(C) (Office) ☎ (b) (6), (b) (7)(C) (Cell)
✉: (b) (6), (b) (7)(C)

From: (b) (6), (b) (7)(C)
Sent: Wednesday, August 29, 2018 3:50 PM

To: ████████████████████ (b) (6), (b) (7)(C) ████████████████████

Subject: RE: SOCNORTH CDR Visit to NCR

That's going to be too late for the general. If there is nothing in the morning for them, then you can disregard. We tentatively have B3 scheduled as a backup just in case.

(b) (6), (b) (7)(C)

Associate Chief
Intelligence Division
U.S. Border Patrol HQ
Ofc (b) (6), (b) (7)(C)
Cel

From: (b) (6), (b) (7)(C)
Sent: Wednesday, August 29, 2018 3:49 PM
To: ████████████████ (b) (6), (b) (7)(C) ████████████████

Subject: RE: SOCNORTH CDR Visit to NCR

Chief,

1400-1500 would work for B2. I'll (b) (6), (b) (7)(C) confirm B1's availability.

(b) (6), (b) (7)(C)

Operations Officer, Adjutant to Deputy Chief Scott A. Luck
Department of Homeland Security | U.S. Border Patrol
☎ (b) (6), (b) (7)(C) (Office) ☎ (b) (6), (b) (7)(C) (Cell)
✉: (b) (6), (b) (7)(C)

From: (b) (6), (b) (7)(C)
Sent: Wednesday, August 29, 2018 3:39 PM
To:
Cc: (b) (6), (b) (7)(C)
Subject: FW: SOCNORTH CDR Visit to NCR

(b) (6), (b) (7)(

Can you check and see if B1 or B2 have time to meet with the SOCNORTH Commander Thursday September 13th in the morning? Will need either half or full hour. Whichever we can get. Thanks,

(b) (6), (b) (7)(C)

Associate Chief
Intelligence Division
U.S. Border Patrol HQ
Ofc (b) (6), (b) (7)(C)
Cel

From: (b) (6), (b) (7)(C)
Sent: Tuesday, August 21, 2018 6:00 PM
To: ████████████████ (b) (6), (b) (7)(C) ████████████████

Subject: Fwd: SOCNORTH CDR Visit to NCR

See below regarding SOCNORTH commander travel to DC and associated meeting availability. Please advise if BPHQ can support. Would like to at least get a meet and greet with B1 and/or B2. Definitely with the LEOD staff.

Sent from my iPhone

Begin forwarded message:

From: ████ (b) (6) ████ USSOCOM SOCNORTH J3" ████ (b) (6) ████
Date: August 21, 2018 at 15:55:40 MDT
To: ████ (b) (6) ████ USSOCOM SOCOM J3 IAPP Director"
████ (b) (6) ████
Cc: ████ (b) (6) ████ USSOCOM SOCNORTH SS" ████ (b) (6) ████
████ USSOCOM SOCOM IAPP" ████ (b) (6) ████
████ USSOCOM SOCOM IAPP" ████ (b) (6) ████
████ USSOCOM SOCNORTH POLAD"
████ (b) (6) ████ | ████ (b) (6), (b) (7)(C) ████
████ ████ (b) (6) ████ USSOCOM SOCNORTH J0"
████ (b) (6) ████
Subject: RE: SOCNORTH CDR Visit to NCR

Sir,

Thanks for the info and support.

We have confirmed that the Commander will make this trip. He will travel on 11 Sep and RTB on 14 Sep. CPT ██ (b) (6) ██ CDR's ADC, will be the primary POC for setting up the schedule and trip.

He is available all day on the 12th and 13th for as many meetings as make sense. ██(b) (6)██ is booking his flight Friday, hopefully with time for a meeting or two in the morning.

Priorities for meetings are generally on ████ (b) (5) ████
████████████████████████████████
████████████████████████████████
████████████████████

Feel free to give me a call or email if there are any questions.

Over to ██(b) (6)██ for scheduling.

Respectfully,

██(b) (6)██

████ (b) (6) ████ USAF
SOCNORTH Executive Officer

3

Air Force Element Commander
Comm: ████ (b) (6) ████
DSN: █ (b) (6) █
Cell: ████ (b) (6) ████

-----Original Message-----
From: ████ (b) (6) ████ USSOCOM SOCOM J3 IAPP Director
Sent: Friday, August 17, 2018 11:06 AM
To: (b) (6), ████ (b) (6) ████ USSOCOM SOCNORTH J3 ████ (b) (6) ████
Cc: ████ (b) (6) ████ CPT USSOCOM SOCNORTH SS ████ (b) (6) ████
████ USSOCOM SOCOM IAPP ████ (b) (6) ████
████ USSOCOM SOCOM IAPP ████ (b) (6) ████
████
Subject: RE: SOCNORTH CDR Visit to NCR

(b) (6)
1. We would be glad to meet with COL (b) (6). We are in-briefing the new J3
on the morning of the 11th, but can meet with him pretty much any other
time.
2. Regarding the ████████ (b) (5) ████████ we would just
ask for a CC. COL ██ (b) (6) ██ is at CBP, and COL ██ (b) (6) ██ is at DEA , however
████████ (b) (7)(E) ████████ at
████ (b) (6) ████
3. The IAPP user's guide might be of some use (attached)
4. Full contact lists are available at the IAPP site on the J3 site on the
portal.
5. You will need to go ████████████ (b) (5) ████████████
██

Let us know how we can be of assistance,
Best regards,
(b) (6)

████ (b) (6) ████
Director, J3-IAPP

(b) (6)

-----Original Message-----
From: ████ (b) (6) ████ USSOCOM SOCNORTH J3
Sent: Friday, August 17, 2018 10:47 AM
To: ████ (b) (6) ████ USSOCOM SOCOM J3 IAPP Director
████ (b) (6) ████
Cc: ████ (b) (6) ████ USSOCOM SOCNORTH SS ████ (b) (6) ████
Subject: SOCNORTH CDR Visit to NCR

Sir,

Our new Commander, COL ███(b) (6)███ is looking at a potential trip to the
NCR area the week of 11-14 September. Most of our SOCNORTH LNO's are
unavailable due to a conference here in Colorado Springs but due to the busy
schedule, we would still like to get some visits in around the NCR area. I
was wondering if we can ███████████(b) (5)███████████
███?

A couple places we are looking at visiting:
IAPP HQ in █(b) (7)(E)█, to get a feel for the location and to meet you and
your team.
CBP
DEA HQ, SOD & █(b) (7)(E)█
JIATF-NCR
SOCOM Washington Office
DDSO
Plus any others that could fit into a solid 2-3 day agenda.

We will look at making a separate trip later this fall, when our LNO's are
available, to meet with FBI, FTTTF, and HSI offices.

Any thoughts or concerns?

Respectfully,

██(b) (6)██

███████(b) (6)███████ USAF
SOCNORTH Executive Officer
Air Force Element Commander
Comm: ████(b) (6)████
DSN: ███(b) (6)███
Cell: ████(b) (6)████

Subject: Mentoring w/ASC (b) (6), (b) (7)(C)
Location: Chief's Office

Start: Fri 9/14/2018 1:00 PM
End: Fri 9/14/2018 1:30 PM

Recurrence: (none)

Meeting Status: Meeting organizer

Organizer: PROVOST, CARLA (USBP)
Required Attendees: (b) (6), (b) (7)(C)

1

Subject: Mentoring w/OFO Assistant Director (b) (6), (b) (7)(C)
Location: Chiefs Office

Start: Thu 9/27/2018 1:30 PM
End: Thu 9/27/2018 2:00 PM

Recurrence: (none)

Meeting Status: Meeting organizer

Organizer: PROVOST, CARLA (USBP)
Required Attendees: (b) (6), (b) (7)(C)

Subject: Mentorship meeting w/ (b) (6), (b) (7)(C)
Location: Chief's Office

Start: Wed 9/26/2018 10:00 AM
End: Wed 9/26/2018 10:30 AM

Recurrence: (none)

Meeting Status: Meeting organizer

Organizer: PROVOST, CARLA (USBP)
Required Attendees: **(b) (6), (b) (7)(C)**

Subject: NAC visit

Start: Tue 9/25/2018 2:00 PM
End: Tue 9/25/2018 2:30 PM

Recurrence: (none)

Organizer: PROVOST, CARLA (USBP)

Subject: National Hispanic Heritage Month
Location: CBP HQ Press Briefing Room C1.47

Start: Thu 10/4/2018 10:00 AM
End: Thu 10/4/2018 11:00 AM
Show Time As: Tentative

Recurrence: (none)

Meeting Status: Tentatively accepted

Organizer: SALAZAR, REBEKAH A.
Required Attendees: PROVOST, CARLA (USBP); YOUNG, EDWARD E; (b) (6), (b) (7)(C)
(b) (6), (b) (7)(C) KOLBE, KATHRYN; (b) (6), (b) (7)(C)

You are invited to attend CBP's National Hispanic Heritage Month program on **Thursday, October 4, 2018, from 10-:00 – 11:00 am, the CBP/HQ Press Briefing Room, C1.47**. Acting Deputy Commissioner, Robert E. Perez, will be Keynote Speaker. The program recognizes the contributions of Hispanic and Latino Americans and reinforces CBP's commitment to a diverse and inclusive workplace. A cultural food sampling will be held in the RRB B.15-10 conference room following the program. The program will be live-streamed for all employees to view. See attached flyer for more details.

CBP Headquarters

National Hispanic Heritage Month

Hispanics: One Endless Voice To Enhance Our Tradition

Thursday, October 4, 2018
10am to 11am
CBP Press Briefing Room C1.47

- Agenda -

Welcome
Rebekah Salazar
Executive Director, Privacy and Diversity Office

Keynote Speaker
Robert E. Perez
Acting Deputy Commissioner, U.S. Customs and Border Protection

Closing Remarks
Rebekah Salazar

Please join us in Conference Room B1.5-10 for a light food sampling.

U.S. Customs and Border Protection

Privacy and Diversity Office

Subject: *New Date/Time*FY 2018 CBP Annual Assurance Statement
Location: Commissioner's Large Conference Room

Start: Thu 10/4/2018 10:00 AM
End: Thu 10/4/2018 10:30 AM
Show Time As: Tentative

Recurrence: (none)

Meeting Status: Tentatively accepted

Organizer: CBP COMMISSIONER SCHEDULER
Required Attendees: KOLBE, KATHRYN; SANDERS, JOHN P; GRABLE, SAMUEL D; CAINE, JEFFREY; SMITH, BRENDA BROCKMAN; Owen, Todd C (AC OFO); PROVOST, CARLA (USBP); YOUNG, EDWARD E; JACKSTA, LINDA L (DEAC OS); PEREZ, ROBERT E; LANDFRIED, PHIL A; (b) (6), (b) (7)(C) ; (b) (6), (b) (7)(C) OC BRIEFING STAFF; (b) (6), (b) (7)(C); (b) (6), (b) (7)(C) .; WAGNER, JOHN P; WHITTENBURG, CYNTHIA F; (b) (6), (b) (7)(C (b) (6), (b) (7)(C)); (b) (6), (b) (7)(C) BHAGOWALIA, SONNY; FALK, SCOTT K (OCC)
Optional Attendees: BOYER, STEPHEN A; MURDOCK, JUDSON W; (b) (6), (b) (7)(C) LUCK, SCOTT A (USBP); HOOVER, CRINLEY S

BM: Yes
Lead Office: ES/OF
OC POC: (b) (6), (b) (7)(C)

FY 2018 Commissioner's Assurance Statement
October 1, 2018
10:00 AM
Commissioner's Small Conference Room

Overview:
- Brief C1 on the Annual Assurance Statement requirement and content, and request C1 signature.
    - The Assurance Statement reports on the state of CBP's operational, financial and information technology internal controls, identifies areas of exceptions, and outlines planned remediation activity and timelines.
    - The Commissioner is required to provide this assessment to the Secretary on October 01, 2018, in support of the DHS Accountability Act.
- Inform C1 of the Annual Commitment Statement requirement.
    - The Commitment Statement outlines the financial and information technology internal control issues and actions CBP is committing FY 2018 resources toward resolving and the internal control program assessments and deliverables CBP is committing to completing by specified due dates.
    - The Annual Assurance Statement and the Financial Statement Audit identify the control issues to be considered in developing the Commitment Statement.
    - The formal request for the CBP Commitment Statement is typically received from DHS after the start of the new fiscal year.
- Participants: You will be meeting with the CBP CFO, EACs, Chief, OIT AC, OF DAC, OS Risk Analysis and Capabilities Assessment Branch Chief, OS Integrated Planning Division Director.

Discussion Points:
- Questions regarding financial conditions and the new section of operational conditions.

Background:
- This is an annual requirement related to multiple legislative requirements.
- The format has changed in FY 2018 to include operational conditions
- This product is consolidated with other DHS Components and eventually becomes public.

ATTACHMENTS: (Please use bullets rather than numbers or letters)
- FY 2018 Commissioner's Assurance Statement (DRAFT) – for signature
- Assurance Statement Overview Briefing
- Comparison of FY 2017 to FY 2018 Assurance Statement
- CBP Inventory of Issues
- FY 2017 Commissioner's Assurance Statement (FINAL) – for reference
- FY 2018 Assurance Statements from EACs and Chief

PARTICIPANTS:
CBP
Kevin McAleenan, Commissioner
Robert Perez, Acting Deputy Commissioner
John Sanders, COO, Office of the Commissioner
Kathryn Kolbe, EAC, Enterprise Services
Samuel Grable, CFO/AC, Office of Finance
Jeffrey Caine, DCFO/DAC, Office of Finance
Brenda Smith, EAC, Office of Trade
Todd Owen, EAC, Office of Field Operations
Carla Provost, Chief, United States Border Patrol
Edward Young, EAC, Air and Marine
Linda Jacksta, DEAC, Operations Support
Phil Landfried, AC, Office of Information and Technology
(b) (6), (b) (7)(C) Director, Office of Finance
(b) (6), (b) (7)(C) Branch Chief, Office of Finance
(b) (6), (b) (7)(C) Branch Chief, Operations Support
(b) (6), (b) (7)(C) Director, Operations Support
(b) (6), (b) (7)(C), Deputy Chief of Staff, Office of the Commissioner

Non-CBP
     (b) (6)   Contractor, Guidehouse LLP (formerly PwC Public Sector LLP)
     (b) (6)   Contractor, Guidehosue LLP (formerly PwC Public Sector LLP)

Staff Responsible for Briefing Memo:
If you have any questions or require additional information, please contact (b) (6), (b) (7)(C) at
(b) (6), (b) (7)(C)

U.S. Customs and Border Protection

Table of Contents

Tab	Description
Major Discussion Items	
1	FY 2018 Commissioner's Assurance Statement (DRAFT) – for signature
Summary / Background Information	
2	Assurance Statement Overview Briefing
3	Comparison of FY 2017 to FY 2018 Assurance Statement
4	CBP Assurance Statement Inventory of Reportable Conditions
5	FY 2017 Commissioner's Assurance Statement
Commissioner / Headquarters Offices	
6a	Office of the Commissioner
6b	Office of Public Affairs
6c	Joint Task Force - West
6d	Office of Chief Counsel
6e	Office of Professional Responsibility
6f	Privacy and Diversity Office
6g	Trade Relations
6h	Intergovernmental Public Liaison
6i	Policy Directorate
Mission Offices	
7a	U.S. Border Patrol
7b	Office of Field Operations
7c	Air and Marine Operations
7d	Office of Trade
Operations Support	
8	Operations Support
Enterprise Services	
9	Enterprise Services

(b) (5)

(b) (5)

(b) (5)

(b) (5)

(b) (5)

(b) (5)

(b) (5)

(b) (5)

(b) (5)

(b) (5)

(b) (5), (b) (7)(E)

(b) (5)

(b) (5)

(b) (5), (b) (6), (b) (7)(C)

(b) (5)

(b) (5)

(b) (5)

(b) (5)

(b) (5)

(b) (5)

(b) (5)

(b) (5)

(b) (5)

(b) (5)

(b) (5)

(b) (5)

(b) (5)

(b) (5)

(b) (5)

(b) (5)

(b) (5)

(b) (5)

(b) (5)

(b) (5)

(b) (5)

(b) (5)

(b) (5)

(b) (5)

(b) (5)

(b) (5)

(b) (5)

(b) (5)

(b) (5)

(b) (5)

(b) (5)

(b) (5)

(b) (5)

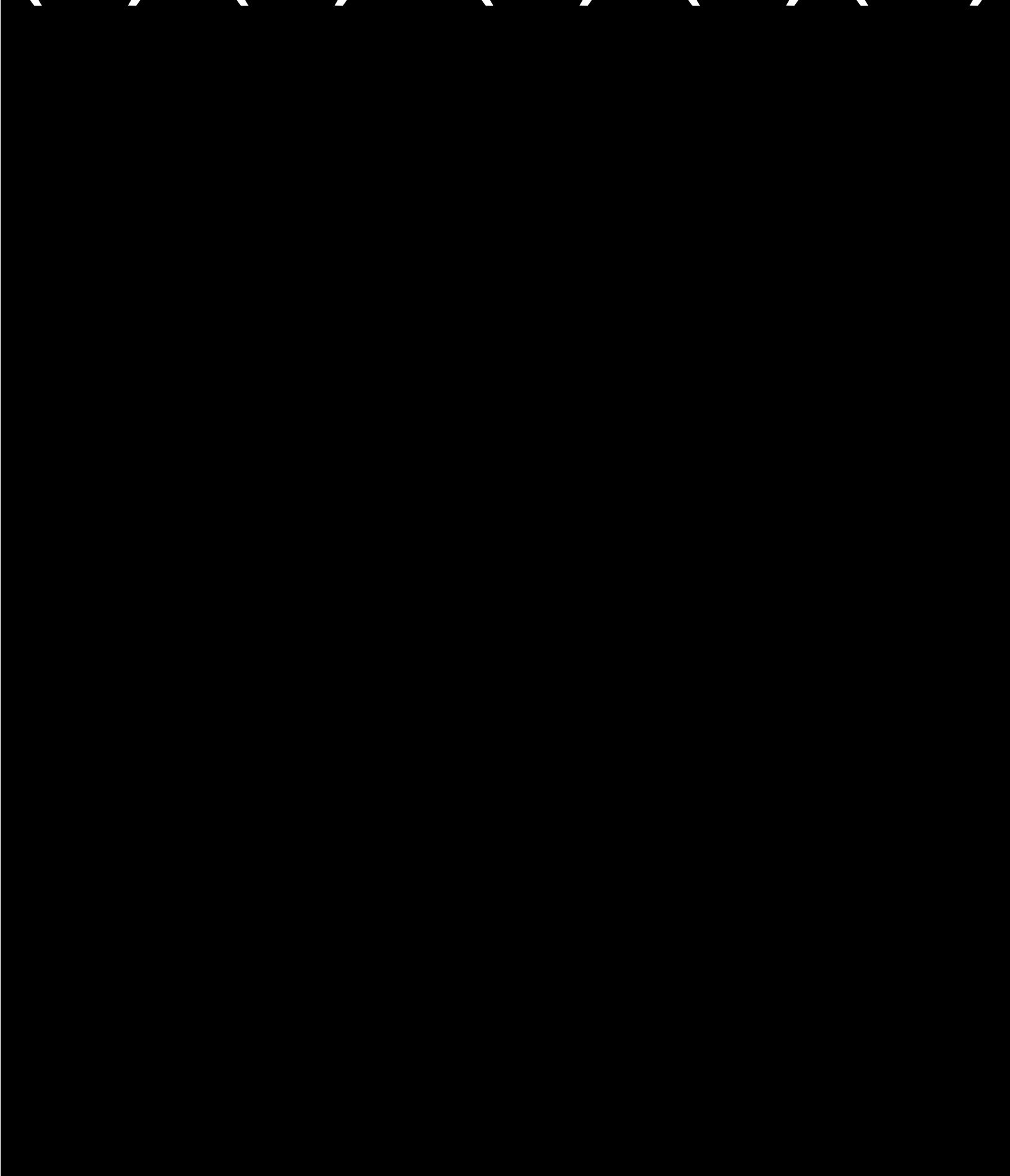(b) (5)

(b) (5)

(b) (5)

(b) (5), (b) (7)(E)
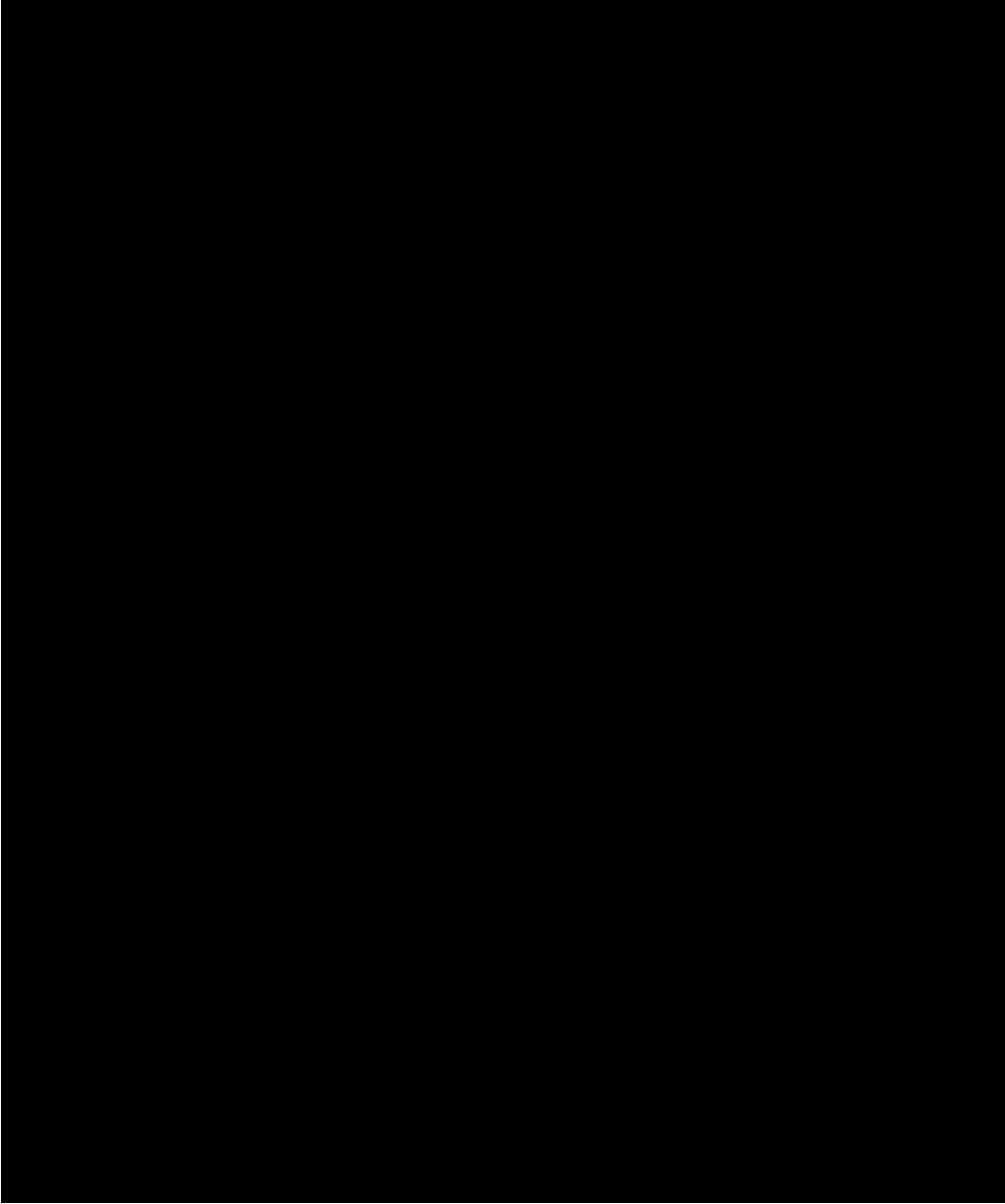
(b) (5)

(b) (5)

(b) (5)

(b) (5)

(b) (5), (b) (7)(E)

(b) (5), (b) (7)(E)

(b) (5)

(b) (5)

(b) (5)

(b) (5)

(b) (5)

(b) (5)

(b) (5)

(b) (5)

(b) (5)

(b) (5)

(b) (5)

(b) (5)

(b) (5)

(b) (5)

(b) (5)

**U.S. Customs and
Border Protection**

OCT 0 2 2017

Commissioner

INFORMATION

MEMORANDUM FOR THE ACTING SECRETARY

FROM: Kevin K. McAleenan
                                Acting Commissioner

SUBJECT: **Fiscal Year 2017 CBP Internal Control Assurance Statement**

In accordance with your delegation of responsibilities to me, I have directed an evaluation of the internal controls at U.S. Customs and Border Protection (CBP) in effect during the fiscal year (FY) ended September 30, 2017. This evaluation was conducted in accordance with Office of Management and Budget (OMB) Circular A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*, July 2016. Based on the results of this evaluation, CBP may provide the following assurance statements.

Reporting Pursuant to FMFIA Section 2. 31 U.S.C. 3512(d)(2)

In FY 2017, the CBP Chief Financial Officer (CFO) was newly required to assert that CBP policies are compliant with requirements of the DHS Financial Management Policy Manual (FMPM). CBP cannot certify that all Component policies and procedures are in compliance with the Financial Management Policy Manual (FMPM). CBP has reviewed CBP accountabilities with respect to the FMPM, and is asserting to FMPM compliance as it relates to CBP's practices (i.e., processes, controls, oversight, and reporting activities). CBP expects to evaluate assertions related to compliance of CBP policies further in FY 2018. CBP provides reasonable assurance that internal controls conform to any new or updated Financial Management Policy Manual (FMPM) documents by the date required in each new/updated policy, **with the exception of the following non-conformances:**

a. **Chapter 3: Financial Management and Accounting**
   o Section 3.6: Accruals and Estimates – CBP is compliant to the extent that all estimates are in accordance with Statements of Federal Financial Accounting Standards (SFFAS). However, some data is obtained from the Automated Commercial Systems (ACS), which is not compliant with Federal Financial Management Improvement Act (FFMIA) standards.
   o Section 3.13: Non-Tax Delinquent Debt and Referrals to Treasury – All legally enforceable non-tax debt over 120 days delinquent has not been referred to Treasury for cross-servicing. As of July 2017, CBP had $552,219 of non-tax debt over 120 days of which $59,000 had not been referred to Treasury. The

delinquent debt is currently going through administrative due process procedures, and will be referred to Treasury for cross servicing once that process is complete.

b. **Chapter 8: Accounting Classification Structure**
- o Section 8.12: Mission Support Field 1/Section 8.13: Mission Support Field 2 – DHS has not yet defined the purpose/source of this element. When the data element is fully defined, CBP will implement the requirement, which could result in creating a new field in SAP or deriving the data element based on existing fields in SAP.
- o Section 8.14: Mission Program/Section 8.15: Mission Sub-Program/Section 8.16: Mission Activity – CBP cannot implement the Mission Program, Mission Sub-Program, and Mission Activity data elements at the transaction level. However, this information can be modeled at the summary level from CBP's activity based costing model. DHS is internally discussing the purpose/need of these data elements.

In addition, CBP is conducting a review of available material for areas where CBP was not able to determine whether its business practices are in compliance with the specific requirements of the FMPM - Chapter 1: Section 1.2; Chapter 2: Section 2.4.1, Section 2.5, Section 2.11; Chapter 3: Section 3.1, Section 3.2.2, Section 3.7, Section 3.14, Section 3.16, Section 3.17, and Section 3.18.

CBP has determined that the practices detailed in the following sections do not apply to CBP in FY 2017 - Chapter 1: Section 1.1, Section 1.3; Chapter 2: Section 2.10; Chapter 3: Section 3.2; Chapter 6: All Sections; Chapter 8: Section 8.3, Section 8.8, and Section 8.9.

CBP provides reasonable assurance that internal controls, including controls related to government charge cards, conference spending reporting, and improper payments are achieving their intended objectives, **with the exception of the following significant deficiencies found:**

a. **Drawback Payments** – CBP's Automated Commercial System (ACS) has inherent limitations in detecting and preventing excessive drawback claim payments. Legislation passed in FY 2016 and the planned system enhancements needed to implement the legislative changes are expected to fully remediate these issues by February 2019, which is the deadline for all drawback claims to follow the enacted provisions. The Trade Enforcement and Trade Facilitation Act (TFTEA) of 2015, signed into law on February 24, 2016, provides significant enhancements to the drawback laws under 19 USC 1313. Planned Automated Commercial Environment (ACE) deployments will further operationalize the provisions in the TFTEA and help CBP address longstanding weaknesses related to drawback payments while streamlining drawback processes for both CBP and the Trade and revising document retention requirements. Until the legislative changes and system improvements are realized, CBP expects Drawback controls to remain a significant deficiency. CBP will continue executing an enhanced drawback compliance measurement program, which emphasizes data integrity, accuracy, and timeliness to improve the validity of risk-based decisions, to mitigate the risk of excessive drawback claim payments.

b. **Overtime Pay Cap Monitoring** – Oversight exists within some Offices, however CBP lacks consistent, agency-wide oversight of employees' earnings with respect to the overtime pay cap established by DHS appropriations law, which prohibits any CBP employee from receiving overtime compensation in excess of $45,000 in a fiscal year without authorization as stated in FY 2017 DHS Appropriations Act (this limit was $35,000 prior to FY 2017). Exceeding the cap without authorization may be considered a violation of the Antideficiency Act (ADA). DHS is currently conducting an investigation regarding a potential violation of the ADA in FY 2015 and FY 2016 that CBP reported as a result of nine (9) employees whose overtime earnings exceeded the overtime pay cap established by DHS appropriations law without authorization. DHS will determine whether an ADA violation has occurred.

CBP has communicated to the Program Offices their responsibility to monitor overtime caps within their respective offices and has educated each office on the tools currently available within the payroll system to monitor their compliance. In FY 2017, CBP drafted updates to the CBP-wide ADA directive and CBP-wide overtime directive, which are expected to be finalized in FY 2018. Following implementation of the revised policies and procedures, CBP plans to develop new training for CBP managers on overtime policy. CBP is also completing a CBP Overtime Scheduling System (COSS) Transformation Initiative to enhance the future state time and attendance solution, which will further assist in monitoring employees' overtime compensation.

Note: The FY 2016 Internal Control Assurance Statement reportable condition on Contract Management Oversight was resolved and is not included in the FY 2017 Internal Control Assurance Statement.

Reporting Pursuant to the DHS Financial Accountability Act, P.L. 108-330

As outlined by Departmental guidance, the scope of CBP's assessment of internal controls over financial reporting included performing tests of design and operational effectiveness throughout FY 2017 and verification and validation of corrective action effectiveness as of September 30, 2017.

In support of the Department's goal of obtaining an unqualified audit opinion on its internal control over financial reporting, CBP continued to expand the scope of its tests of design and operational effectiveness in FY 2017. Tests of design and operational effectiveness as well as verification and validation procedures generally resulted in some control deficiencies, some of which are considered to be significant deficiencies related to Revenue and Receivables Management, Property Management, Financial Reporting, and Budgetary Resources Management as described at the end of this section. CBP does not consider any of the deficiencies to be a material weakness.

Tests of Design and/or Operational Effectiveness were completed in the following areas:

a. **Financial Reporting** – Financial reporting considers objectives related to general ledger maintenance, balance sheet, external reporting requirements, accounting period maintenance and closing, required disclosures, and other areas. The tests of design over Financial Reporting identified key controls that were not designed effectively. Each of the control weaknesses have been categorized into one of the three themes: Policies and Procedures/Quality of Procedures, Documentation, and Monitoring/Review. Over the course of FY 2017, CBP implemented corrective actions to partially or fully remediate a substantial portion of these deficiencies, including updating standard operating procedures (SOPs) to formally document and/or enhance review procedures and enhanced evidence that management review procedures were properly performed. These improvements are undergoing subsequent testing to determine whether the corrective actions have sufficiently addressed the underlying deficiencies.

b. **Fund Balance with Treasury Management** – Fund Balance with Treasury Management (FBwT) considers objectives related to reconciliation and reporting, payment confirmation process, treasury information maintenance, and service provider monitoring. The test of design over FBwT identified one key control that was not designed effectively. This control weakness relates to a lack of supporting documentation to evidence management's review and approval over a reconciliation worksheet that informs the creation of journal vouchers in the general ledger. The tests of operational effectiveness over the FBwT business process did not result in any internal control deficiencies.

c. **Property Management** – Property Management considers objectives related to managing and accounting for property and inventory across the various stages of the asset management lifecycle, including acquiring, maintaining, and disposing of property. Tests of design identified key controls that were not designed effectively. The control weaknesses generally relate to a lack of control documentation and/or policies and procedures that do not document CBP's control activities, documentation requirements, and/or criteria for management reviews. Tests of operational effectiveness yielded some exceptions associated with lack of documentation and one exception associated with sales/disposals of Forfeited Property not recorded timely and completely in the financial system. The large size and geographic dispersion of CBP's asset portfolio and property custodians present inherent challenges in managing, accounting for, and accurately reporting accountable property. Considering the sheer volume of transactions and decentralized management structure, CBP expects that isolated errors or inaccuracies may occur. CBP's asset management programs continue to strengthen program-level governance, internal controls, and oversight activities to detect and correct erroneous transactions or records.

d. **Payment Management** – Payment management considers objectives related to accounts payable, invoicing, disbursing, payment follow-up, payee information maintenance, and reimbursable agreements. The tests of operational effectiveness over Payment Management across CBP did not result in any internal control deficiencies. However, additional Payment Management controls were assessed as part of the Financial Reporting assessment, which resulted in design deficiencies over key controls related to

threshold reasonableness of unrecorded liabilities, lack of review evidence for the Accrued Accounts Payable calculation percentage, and lack of review evidence for the IPAC Accrued Payable analysis prior to approval.

e. **Human Resources & Payroll Management** – Human Resources & Payroll Management considers objectives related to personnel action administration, benefits administration, time and attendance processing, leave processing, pay processing, labor cost and distribution, and reporting, reconciliation, and records retention. The tests of operational effectiveness did not result in any reportable exceptions. However, additional Human Resources & Payroll Management controls were assessed as part of the Financial Reporting assessment, which resulted in a design deficiency over a key control related to lack of evidence that management reviewed the year-end payroll and accrued payroll balances prior to approval.

f. **Revenue and Receivable Management** – Revenue and Receivable Management considers processes relating to liquidations, entry summary reporting, and daily collections. Tests of design performed over Revenue and Receivables Management functions within CBP's Revenue Division yielded deficiencies in several areas, including debit vouchers processing, sufficiency of single transaction bonds and continuous bonds, revenue suspense account (BCA), and standard operating procedures for debit voucher processing and the BCA weekly report. Tests of operational effectiveness were not performed due to the test of design deficiencies identified and ongoing ACE implementation, however FMD performed a reconciliation between ACS and SAP to provide reasonable assurance that revenue collections processes in ACS are accurately and completely posted to their corresponding Revenue general ledger accounts in SAP.

g. **Budgetary Resource Management** – Budgetary Resource Management considers processes relating to budget authority, funds distribution, funds control and funds status. The tests of design identified control deficiencies related to budget authority, including a lack of standard operating procedures for each of the business sub-processes under Budget to clearly delineate the control activities performed, lack of secondary reviews of recorded appropriation and apportionment transactions after the Director or proxy reviews appropriation and apportionment documentation and records budget authority and apportionment and reapportionments in the financial management system, resulting in the untimely detection and resolution of errors or discrepancies, and insufficient controls and procedures to ensure individuals that are required to take Antideficiency Act (ADA) training are entered in PALMS and completion monitored. Tests of operational effectiveness also identified exceptions related to insufficient controls and reviews of direct budget authority, anticipated reimbursable budget authority, and apportionments in general that led to inaccurate or incomplete recording in CBP's financial system; lack of evidence for review of the SF 132/133 reconciliation; and untimely recording of unfilled customer orders (UCOs) requiring carryover at year-end.

h. **Entity Level Controls** – For the FY 2017 ELC assessment, CBP used a risk-based approach to roll-forward and update the FY 2016 results, along with additional validations, to meet the FY 2017 ELC assessment requirement. As such, CBP focused its

efforts on ELC principles and related attributes whose controls are known to have undergone significant changes, ELC principles whose controls were deemed in FY 2016 as not fully meeting the objectives of the related principle, and ELC principles that the external auditors identified as deficient and subsequently underwent remediation. CBP has made incremental progress towards strengthening its ELC in specific areas that were considered "partially met" last year. However, the overall results are consistent with those of the FY 2016 assessment, reflecting seven (7) principles "partially met" and ten (10) principles "met." ELC assessment activities in FY 2018 are expected to further inform any corrective action for strengthening controls in select principles.

i. **Information Technology General Controls** – Full or targeted tests of operational effectiveness over ITGCs at the operating system, database, and application layers were conducted for seven (7) CFO-designated systems and one (1) significant general support system. The controls tested focused on security management, access control, configuration management, contingency planning, segregation of duties and business processes. The assessments resulted in the identification of control deficiencies associated with access controls (e.g., user account creation and recertification), audit log reviews, separation of duties, and other related areas. The access control and segregation of duties control sets represented the largest area of deficiencies across all systems tested. Specifically, policies and procedures for managing access, change management, and segregating duties were not complete or documented appropriately as well as evidence of testing changes were not detailed sufficiently. Remediation activity was implemented during FY 2017 and additional remediation is planned for FY 2018.

Verification and Validation of Corrective Actions were completed in the following areas:

Select business processes or sub-processes that underwent remediation in FY 2017, based on deficiencies identified by the financial statement audit or internal control assessments, generally were not within scope for the tests of operational effectiveness described above. The effectiveness of remediation activities completed in FY 2017 was assessed through verification and validation procedures.

a. **Revenue and Receivable Management** – Results of the verification and validation process conducted at CBP Ports of Entry indicate improvements were made, however issues remain with the consistent review and annotation of entry edit/exception reports.

b. **Information Technology General Controls** – Results of the verification and validation process confirmed that corrective actions were completed related to specific IT general controls and IT application controls and were effective in addressing specific FY 2016 financial statement audit deficiencies related to access controls, audit log reviews, separation of duties, configuration management, and security management across several CFO-designated systems, including SAP, Human Resources Business Engine (HRBE), ACE, and the Mainframe. Results indicate significant improvement, however broader IT control vulnerabilities remain across the portfolio of CBP's CFO-designated systems.

c. **Financial Reporting** – Results of the verification and validation process indicate significant overall improvements were made to address the deficiencies that contributed to the material weakness in FY 2016. However, V&V identified an issue that has only been partially resolved regarding inadequate controls over subsequent disbursements classifications. In addition, CBP recently improved its procedures for identifying all non-GAAP Policies to be included on the required listing as of year-end. FMD will be performing additional V&V at a later date to verify the operating effectiveness of these improved controls.

Based on the scope of this assessment, CBP provides reasonable assurance that internal control over financial reporting was designed and operating effectively, **with the exception of the following significant deficiencies found:**

a. **Revenue and Receivable Management** – In addition to the A-123 and verification and validation exceptions noted above, a FY 2017 Government Accountability Office (GAO) report, GAO-17-649, identified weaknesses in CBP's monitoring of the Foreign Trade Zone (FTZ) program. Specifically, CBP does not centrally compile FTZ compliance and enforcement information to analyze and respond to compliance and internal control risks across the program. Weaknesses in controls in reviewing and validating bond sufficiency, monitoring of FTZs, and running and reviewing entry edit/exception reports could impact CBP's ability to be aware of all items entering the U.S. commerce and collect all revenues owed. Planned implementation of a modernized collections system is expected to resolve some deficiencies related to bond sufficiency and entry edit/exception reports. In addition, CBP is pursuing interim and longer-term actions to strengthen its ability to assess and respond to compliance risks across the FTZ program, including actions to centrally compile FTZ compliance and enforcement data, and to conduct a risk analysis of the FTZ program.

b. **Property Management** – CBP's monitoring and oversight procedures for internal use software (IUS), including evidence of management reviews, are not sufficient to verify project costs are accurately classified into appropriate phases (e.g., design, development, and operations and maintenance) prior to being capitalized or expensed. This increases the risk that IUS costs may not be recorded accurately. Additional deficiencies related to seized and forfeited property, including a lack of review of seizure information entered into SEACATS to identify and investigate abnormal balances prior to inclusion in the footnote disclosure, increase the risk that not all seized and forfeited property is recorded completely, at the correct value/volume, or is not properly disclosed in the financial statements. Recognizing the large acquisition and asset management impact of the Southwest Border wall, CBP will capitalize on prior lessons learned around accountability as an effective practice. CBP began implementing corrective actions to strengthen oversight and management review controls in these areas in FY 2017 and will continue to do so in FY 2018.

c. **Financial Reporting** – CBP has made substantial progress remediating control deficiencies that contributed to the material weakness identified in FY 2016. However, some deficiencies remain related to Accrued Accounts Payable and External Reporting

Requirements, including insufficient evidence or documentation of management's review procedures. These deficiencies increase the risk that CBP financial statements and/or DHS deliverables are not reviewed to mitigate the risk of errors or discrepancies. Although all deficiencies except for one are considered control deficiencies, when aggregated, CBP considers these individual control deficiencies to be a significant deficiency. In FY 2018, CBP will conduct additional testing over corrective actions implemented and continue to enhance financial reporting procedures.

d. **Budgetary Resources Management** – Management's review procedures over budget authority and apportionments are insufficient, increasing the risk that budgetary transaction errors are not identified timely, and that recorded budgetary transactions may be inaccurate or incomplete. Internal control assessments identified some transactions related to anticipated reimbursable budget authority, anticipated recovery budget authority, and apportionments that were not recorded completely in SAP due to insufficient controls. Management also identified the need for the development of standard operating procedures for each of the sub-processes under Budget (e.g., Allotments). In FY 2018, CBP plans to develop more robust standard operating procedures and enhance management reviews to reduce errors in recording appropriation and apportionment information in the financial system.

e. **Information Technology General Controls** – CBP has made substantial progress addressing internal control deficiencies related to access controls (e.g., user account creation and recertification), audit log reviews, separation of duties, configuration management, and security management across several CFO-designated systems, including SAP, HRBE, ACE, and the Mainframe. Results indicate significant improvement, however IT control vulnerabilities remain in these areas across the portfolio of CBP's CFO-designated systems. Remediation activity was implemented during FY 2017, and additional remediation is planned for FY 2018 to address specific deficiencies and enhance CBP's IT management controls program.

Reporting Pursuant to FMFIA Section 4, 31 U.S.C. 3512(d)(2)(B)

CBP's financial management systems conform with Government-wide requirements, **with the exception of the following non-conformances:**

a. **Core Financial Systems** – CBP's Automated Commercial System does not maintain trade receivable activity at the transaction level. This issue will be addressed by an ongoing initiative to refactor or replace ACS with a revenue management system that enables CBP to collect, deposit, and report revenue. The systems maintaining CBP's aircraft and marine spare parts inventories do not report addition and usage activity at the transaction level. CBP continues to make progress toward replacing the existing systems with a new Integrated Logistics Support System that can be configured to integrate with SAP and satisfy the financial system requirements. Leveraging CBP's existing Maximo instance and licenses, CBP intends to implement the new system solution by the end of FY 2018 pending available funding.

b. **Information Technology General Controls** – The DHS Office of Inspector General continues to identify information technology general and application control weaknesses at CBP. Weaknesses were cited in CBP's accounting system (SAP), mainframe system environments, and other CFO-designated systems, including weaknesses in access control, separation of duties processes, and audit logging and monitoring. Of these, access management represents the greatest risk to reliance on CBP's automated IT controls. CBP continued to enhance its IT management controls program and expand assessments over CFO-designated systems in FY 2017, which will continue in subsequent years. As part of this program, CBP has implemented remediation strategies to address issues across the portfolio of CFO-designated systems, including enhancing Information System Security Officer (ISSO) training to focus more on management control responsibilities and build a stronger ISSO core, restructured and improved the process for access provisioning and recertification, and developed and implemented a recertification tool by system. CBP also expanded the use of the auditing tool implemented in FY 2016 to assist with monitoring user activity and audit logs to additional systems. CBP offices, including the Office of Trade (ACE Business Office), Office of Finance, Office of Information and Technology, and Office of Field Operations maintained a high degree of collaboration to apply IT internal control considerations and improvements to planned system implementations throughout FY 2017, including Automated Commercial Environment (ACE) core functionality, which will continue in FY 2018.

More broadly, CBP continued to make progress addressing cybersecurity vulnerabilities to prevent cyber attacks against CBP, including tracking cybersecurity vulnerabilities via a weekly scorecard and expanding vulnerability scanning for assets across all environments. CBP will continue efforts in FY 2018 to strengthen cybersecurity and address remaining vulnerabilities.

Note: The FY 2016 Internal Control Assurance Statement reportable condition on Information Technology Infrastructure was resolved and is not included in the FY 2017 Internal Control Assurance Statement.

Reporting Pursuant to the Reports Consolidation Act, P.L. 106-531, Section 3516(e)

CBP provides reasonable assurance that the performance data used in the Department's Agency Financial Report is complete and reliable.

Reporting Pursuant to Federal Managers' Financial Integrity Act of 1982 (31 U.S.C. 3512(d)(2))

CBP provides reasonable assurance that the prime Federal award financial data in USAspending.gov is correct at the reported percentage of accuracy, has adequate internal controls over the underlying spending; and has implemented processes to ensure data completeness and accuracy on USAspending.gov by using control totals with financial statement data and comparing samples of financial data to actual award documents.

Additionally, pursuant to the *Digital Accountability and Transparency Act of 2014* (DATA Act), Pub. L. No. 113-101, CBP provides reasonable assurance that internal controls that support the reliability and validity of the Component's account-level and award-level data reported for display on USASpending.gov are achieving their intended objectives.

If you have any questions or would like additional information, please contact my office at (b) (6), (b) (7)(C) or a member of your staff may contact (b) (6), (b) (7)(C) Chief Financial Officer, at (b) (6), (b) (7)(C)

**U.S. Customs and
Border Protection**

DATE: August 8, 2018

MEMORANDUM FOR: Samuel D. Grable
                               Chief Financial Officer

FROM: (b) (6), (b) (7)(C) Deputy Chief of Staff (b) (6), (b) (7)(C)
                               Office of the Commissioner

SUBJECT: Fiscal Year 2018 Office of the Commissioner Internal Control
                               Assurance Statement

During Fiscal Year (FY) 2018, the Office of the Commissioner evaluated the systems of controls
for the programs and activities operating within our organization as well as the systems of
controls for the U.S. Customs and Border Protection (CBP) national programs for which the
Office of the Commissioner has program oversight.

Section 1: Program/Activity Reviews with No Significant Deficiencies

Based on these evaluations, I can state with reasonable assurance that the system of controls are
adequate for the programs and/or activities listed below:

- Self-Inspection Program (SIP) cycle results
    - Conference Planning
    - Emergency Preparedness – Headquarters
    - Employee Separation
    - Mandatory Employee Verification
    - Major Acquisitions
    - Receipt and Acceptance of Goods
    - Occupational Safety and Health
    - Physical Computer Security
    - Information Technology Acquisition Review
    - Purchase Card Program
    - Badges and Credentials
    - Mandatory Supervisory Training
    - Travel Card Program

Section 2a: Financial Program/Activity Reviews with Significant Deficiencies

The evaluations did not identify any financial programs and/or activities with significant
deficiencies within their systems of controls.

Section 2b: Operational Program/Activity Reviews with Significant Internal Control Deficiencies

The evaluations did not identify any operational programs and/or activities with significant deficiencies within their systems of controls.

Section 3: Response to Prior Year (FY 2017) CBP Assurance Statement Conditions

The Office of the Commissioner did not have any contributions to exceptions reported on the FY 2017 CBP Annual Assurance Statement.

Section 4: Significant Internal Control Activities and Accomplishments in FY 2018

The following significant internal control activities and accomplishments occurred in FY 2018:

- The SIP cycle 2018 results for the OC revealed high levels of compliance in executing many functions supporting the CBP mission.
- 100% Completion for the FY 2018 Annual Personal Property Inventory and the (b) (7)(E) Inventory

U.S. Customs and Border Protection

AUG 13 2018

MEMORANDUM FOR: Samuel D. Grable
                   Chief Financial Officer

(b) (6), (b) (7)(C)

FROM: Andrew Meehan
                   Assistant Commissioner
                   Office of Public Affairs

SUBJECT: FY 2018 Office of Public Affairs Internal Control
                   Assurance Statement

During Fiscal Year (FY) 2018, the Office of Public Affairs (OPA) evaluated the systems of controls for the programs and activities operating within our organization as well as the systems of controls for the U.S. Customs and Border Protection (CBP) national programs for which OPA has program oversight. Based on these evaluations, I can state with reasonable assurance that the system of controls are adequate for the programs and/or activities listed below:

- Self-Inspection Programs Cycle Results
- Purchase Card Program
- Travel Card Program
- Physical Inventory

The evaluations also identified programs and/or activities with systems of controls that are adequate with the exception of the conditions identified below:

- Privacy – Due to the Hurricanes that took place in Florida, Texas, and Puerto Rico, staff in OPA were detailed to assist in these areas. When staff returned to their worksites they were unable to retrieve the training because the system would only generate the DHS: Protecting Privacy Personal Information for FY2018. Moving forward management will inform all staff to complete their required training in a timely manner.
- Mandatory Supervisory Training – Due to the Hurricanes that took place in Florida, Texas, and Puerto Rico, staff in OPA were detailed to assist in these areas. There were some staff who did not complete the DHS Cornerstone Give Back training as required. Moving forward management will inform all staff to complete their required training in a timely manner.
- Receipt and Acceptance of Ordered Goods and Services – Due to budget constraints and the Continuing Resolution (CR) funding was not readily available to process Ordered Goods and Services. When there is a CR and funding is not readily available, we do

- what we can to make sure the vendor gets paid timely when budget sends us the funds, and the CR is lifted.

OPA contributed to exceptions reported on the FY18 CBP Annual Assurance Statement and took the following actions to remediate the control exceptions:

The following significant internal control activities and accomplishments occurred in FY18:
- OPA completed the FY17 Annual Inventory and FY17 FACTS inventory seven weeks ahead of the Office of Facilities and Asset Management's scheduled deadline and were the first CBP office to complete both inventories. Our office completed the FY17 Annual Inventory and the FACTS Inventory at 100 percent with zero lost assets. And, OPA was proficient in the Local Property area during FY17.
- There were 26 offices who had to complete the FY18 Self-Inspection Worksheets, and OPA was the second CBP office to complete the worksheets six weeks ahead of the deadline.

Communication and Outreach Division:
- CBP multi-dimensional communication efforts encompasses paid print, radio and TV ads, earned media, social media and NGO partnerships. Most recent campaigns include:
  - ***Dangers of the Journey to Cross the Border*** campaign ran in 2013, 2014 and between January – March 2016 in Central America and Mexico.
  - ***Don't Risk Your Life*** testimonials featuring actual migrants launched in May/June and August 2016. The Department of State also released the testimonials and subsequent videos to markets in Central America.
  - ***Nuestra Patria, Nuestro Futuro*** (Our country, our future) targets the population of the Northern Triangle: Guatemala, El Salvador and Honduras. The objective is to create awareness among families about the realities that migrants of all ages, especially unaccompanied children, face when they travel to the United States without documents. The unbranded campaign originally ran in Guatemala, El Salvador and Honduras from December 2016 through May 2017. On July 30, 2018, CBP relaunched the campaign in Honduras and El Salvador with media placements coming soon in Guatemala.
    - Survey results from the 2017 campaign had a high recall with nearly 60 percent on average.
    - The campaign had a strong impact in the Northern Triangle countries with a 75 percent in willingness to stop helping minors migrate without documents.

- OPA Frontline multi-media and print magazine published in-depth articles informing the public of effective CBP travel, trade enforcement and border security measures. The print magazine has a circulation of 80,362. Several of the articles were reprinted in external publications, including:
  - Biometrics Unmask Criminal in IRS Scam, February 2018, *Homeland Security Today.*
  - CBP and Biometrics: A history of innovative technology, February 2018, *Homeland Security Today.*
  - Biometric Breakthrough: How CBP is meeting its mandate and keeping America safe, February 2018, *Homeland Security Today.*
  - Fighting the Ivory Trade, February 2018, *K9 Cop Magazine.*
  - Biometric Breakthrough: How CBP is meeting its mandate and keeping America safe, publication scheduled for fall 2018, *International Airport Review.*
  - Hanging Tough: How CBP's first Enforce and Protect Act investigation helped America's last wire hanger manufacturer survive, scheduled for February 2019 publication, *WCO News/OMD Acctu* magazines (English and French).
- The Publication and Branding Review Board (PBRB) reviewed 161 submissions for brochures and pamphlets, CBP website content, videos and CBP exhibit materials to ensure consistency of CBP messaging and compliance with appropriate branding standards that represent the agency externally. The PBRB also reviewed 717 branding requests that reach external and internal audiences.
- Established the Stakeholder Engagement Program to analyze current engagement activities, develop a plan to enhance CBP's engagement, and implement engagement plans.
- Approved 468 speaking engagements (as of August 3, 2018) reaching an audience of 184,450 attendees. Audience reach was amplified through Facebook live events and tech talks at conferences. Most of the speaking events are now amplified by Facebook audience reach, tweets and other social media tools.
- Melbourne, FL became the 24th model port location displaying CBP videos and slides in their new international terminal.
- The History office launched a new lobby exhibit, "Hall of Honor," which celebrates the yesterday, today, and tomorrow of each of CBP's offices and features cases, panels, and a multi-media audiovisual component.
- Assisted the Office of Chief Counsel in the trademark process for nine program names and logos to ensure protection for agency brands. Programs include:
  - CTPAT
  - Ready Lane
  - Single Window
  - FAST
  - DTOP
  - Aqua Lane

- o CBP Roam
- o Mobile Passport (MPC)
- o Automatic Passport Control (APC)
- www.cbp.gov has seen consistent traffic in visits and page views year-to-year and quarter-to-quarter. Our outreach programs, as well as OPA's mission to have reliable and accurate information on the website have maintained our referrals (other sites linking to us) to www.cbp.gov. We have seen significant increases in traffic to our careers pages, namely "Border Patrol Agent" and "Customs and Border Protection Officer" pages, which both saw over 100 percent increase in page views.
- A new "Broker locator" system was implemented on www.cbp.gov to allow the public to find a broker at the port of entry they are using to import their goods. This allows CBP to make updates to the list of brokers in near real-time, compared to the old system of 30-60 days between updates.

Visual Communications Division:
The Visual Communications team continues to set the standard for Federal Government imagery acquisition, production and distribution. Through federal partnerships, intelligent integration and making the best use of our government facilities and funding the Visual Communications staff has successfully and responsibly executed their mission.

Senior Executive Services, Messaging and Support:
- Produced a career retrospective video featuring CBP Commissioner Kevin K. McAleenan for the "Señor Internacional" ceremony in Laredo, TX.
- Videotaped, photographed, and live-streamed Commissioner Kevin K. McAleenan's keynote address at the "International Summit on Borders Conference." Also photographed the Commissioner and former Acting Deputy Commissioner Ronald D. Vitiello on various panels at the conference.
- Produced the multi-part series "CBP Leadership Year" featuring interviews with CBP Commissioner Kevin K. McAleenan, Acting Deputy Commissioner Robert E. Perez, U.S. Border Patrol Chief Carla L. Provost, Office of Intelligence Assistant Commissioner Jennifer Ley, Office of Professional Responsibility Assistant Commissioner Matthew Klein, Chief Counsel Scott Falk, Deputy Chief Counsel Ann Marie Highsmith, Office of International Affairs Assistant Commissioner Ian Saunders and Office of Procurement Deputy Executive Director Diane Sahakian.
- Recorded a multiple segment series featuring Office of Trade Executive Assistant Commissioner Brenda Smith and Office of Trade Relations Executive Director Bradley Hayes discussing the Trade Facilitation and Trade Enforcement Act of 2015 (TFTEA) accomplishments since 2015.

DHS Support:
- Hosted, facilitated and recorded weekly DHS Office of Public Affairs "Pen-and-Pad" briefings with news media in the CBP Press Room.
- Recorded a series of videos featuring DHS Secretary Kirstjen M. Nielsen that included the following messages: "Welcome New US Citizens," "See Something, Say Something" and "Welcome New DHS Employees."
- Produced two "Blue Campaign Facebook Live" events detailing the realities of human trafficking and how viewers can help.
- Produced the live stream of the "DHS 15 Year Anniversary" featuring Vice President Mike Pence, DHS Secretary Kirstjen M. Nielsen, former DHS Secretaries Tom Ridge, Michael Chertoff and John Kelly.
- Recorded three "See Something, Say Something" PSA's aimed at increasing the public's safety awareness during the holiday season. The PSAs featured DHS Counter Terrorism Coordinator David Glawe and National Protection and Programs Directorate Undersecretary (b) (6), (b) (7)(C) The PSAs were distributed on the DHS page as well as various social media networks.
- Recorded a video message with Deputy Undersecretary for Management (b) (6), (b) (7)(C) urging DHS employees to participate in the "Federal Employee Viewpoint Survey" (FEVS).
- Produced eight "DHS Leadership Year" video profiles featuring DHS Acting Secretary Elaine Duke, Under Secretary for Management Claire M. Grady, Deputy Undersecretary for Management (b) (6), (b) (7)(C) Officer for Civil Rights and Civil Liberties (b) (6), (b) (7)(C) (b) (6), (b) (7)(C) Undersecretary of the National Protection and Programs Directorate Chris Krebs, DHS Chief Information Officer (b) (6) DHS Director, Chief Human Capital Officer (b) (6) and Office of Operations Coordination (b) (6), (b) (7)(C)
- Recorded seven video training modules with DHS Chief Procurement Officer (b) (6) (b) (6), (b) (7)(C)

Projects, Events and Miscellaneous Taskings:
- Documented the construction and testing of the "Border Wall Prototypes." Posted a total of 21 border wall related videos including b-roll, time-lapse, drones and press conferences of wall prototype construction for the Santa Teresa wall project.
- Documented CBP's "Hurricane Maria" relief support mission and posted 23 videos to DIVDS.
- Produced and live streamed the "2018 CBP Valor Memorial Ceremony." Also documented several "2018 Police Week" events CBP participated in such as the Blue Mass, 5K Road Race, Candlelit Vigil, Honor Guard Competition and the National Peace Officer's Memorial Service.
- Documented and live-streamed the ribbon-cutting ceremony for the Caribbean Air and Marine Branch Aircraft Storage Hanger and Administration Building at the Rafael

- Hernandez International Airport in Aguadilla, PR. The event was featured in a CBPrime video.
- Hosted three groups of children visiting the RRB for "Bring Your Child to Work Day" in the CBP television studio. The children spent time learning the workings and operations of a television studio and production techniques while producing three short video spots for use on the CBPNow digital signage playlist.
- Produced the "Walls Work" video to inform the American public, Congressional representatives, the community, the media and other key stakeholders about the need for a wall and other border infrastructure from a non-political, operational perspective. The video was posted to CBPgov, DVIDS, YouTube and CBP's social media platforms.
- Captured imagery of CBP's Security Mission for Super Bowl LII. Documenting OFO non-intrusive inspections and the AMO Air Support Operations. Imagery was posted to CBP Flickr, DVIDS, Digital Signage and CBP social media outlets.
- Recorded the pilot episode of "Know Before You Go," an audio and video podcast series that focuses on informing the public about topics they should be aware of before leaving and returning to the United States. The first episode focuses on expanding the biometrics program.
- Recorded a "Suicide Prevention" video message featuring ███(b) (6)███ MSW, LICSW. ███(b) (6)███ discussed the steps that should be taken when you suspect a co-worker, friend or loved one is experiencing feelings of suicide. The video will be used in a pilot resiliency training course for OFO Employees.
- Photographed, recorded and video streamed the "CBP Commissioner's Annual Awards Ceremony" honoring multiple recipients.
- Provided production support to the White House Office of National Drug Control Policy and the CBP Office of Training and Development in the production of the "Fentanyl Safety Recommendations for First Responders" video. The video outlines the correct safety steps first responders should take when they encounter fentanyl and addresses myths associated with the drug.
- "CBPeople: ███(b) (6), (b) (7)(C)███ - K9 Therapist." CBPO ███(b) (6), (b) (7)(C)███ who is stationed at the ███(b) (6), (b) (7)(C)███ volunteers in her spare time by providing pet therapy at a local Veterans home. The video was posted on CBPnet, CBPgov, CBPNow, CBP YouTube and the CBP Social Media sites.

Media Division:

The Media Division has taken a proactive approach to correct misinformation and provide balance to otherwise negative stories. Employing a Rapid Response Team consisting of several Border Patrol Agents and a Customs and Border Protection Officer, we were able to pull the backgrounds on dozens of false allegations and correct the story in real time.

The Media Division also provided periodic updates to the media via press briefings and press releases on the prototypes to include the assessment and evaluation phase and the replacement wall construction in Calexico and RGV.

CBP earned unprecedented positive media coverage during the three back-to-back hurricanes that struck Texas, Florida and Puerto Rico in late summer/early fall last year. During Hurricane Irma, a Media Division public affairs specialist deployed for seven days to Florida to provide public affairs support to the field for several weeks.

Media Division personnel supported initial communication efforts in Texas and just days later turned to support public affairs response efforts for Hurricane's Irma and Maria. CBP's public affairs outreach efforts included everything from traditional prominent network news coverage to digital outreach efforts highlighted by the White House Communications team, Federal Emergency Management Agency and Department of Defense. CBP continuously shared critical information to stakeholders focusing initially on life-saving messaging while spearheading timely updates to the trade community and traveling public on the status of the ports of entry across Florida during Hurricane Irma and subsequently in Puerto Rico for Hurricane Maria.

AUG 7 2018

MEMORANDUM FOR: Samuel D. Grable
                    Chief Financial Offic (b) (6), (b) (7)(C)

FROM: (b) (6), (b) (7)(C)
                    Acting Director
                    Joint Task Force - W

SUBJECT: Fiscal Year 2018 Joint Task Force – West Internal Control
                    Assurance Statement

During Fiscal Year (FY) 2018, the Joint Task Force – West (JTF-W) evaluated the systems of controls for the programs and activities operating within our organization as well as the systems of controls for the U.S. Customs and Border Protection (CBP) national programs where JTF-W has program oversight.

Section 1: Program/Activity Reviews with No Significant Deficiencies

During FY 2018, JTF-W evaluated the systems of controls for the programs and activities operating within our organization as well as the systems of controls for CBP national programs where JTF-W has program oversight.

Based on these evaluations, I can state with reasonable assurance that the system of controls are adequate for the programs listed below:

- Self-Inspection Program (SIP) areas identified for field completion:
  - Awards
  - Badges and Credentials
  - Budget Execution
  - Firearms/Less-Lethal Training and Use of Force
  - Personal Property Management
  - Physical Computer Security / Systems Access
  - Purchase Card Program
  - Receipt and Acceptance of Ordered Goods and Services
  - Time and Attendance
  - Travel Card Program

Section 2a: Financial Program/Activity Reviews with Significant Deficiencies

Evaluations identified financial programs and/or activities with adequate systems of controls.

Section 2b: Operational Program/Activity Reviews with Significant Internal Control Deficiencies

Evaluations identified operational programs and/or activities with adequate systems of controls.

Section 3: Response to Prior Year (FY 2017) CBP Assurance Statement Conditions

JTF-W contributed to exceptions reported on the FY 2017 CBP Annual Assurance Statement and took the following actions to remediate the control exceptions:

- FY17 exception: **Asset Management** – In accordance with CBP's financial system of record the FY 2017 inventories for High Risk/Sensitive property did not meet the Department of Homeland Security (DHS) goal of 100 percent for Equipment Control Class 1 (ECC 1) assets.
    - o Remediation actions: Employees received additional equipment accountability and reporting guidance to include:
        - Levels of responsibility (personal, direct, supervisory, custodial, and command) and accompanying obligations.
        - Importance of ensuring the security, upkeep, and use of equipment entrusted to individual custody.
        - Relative significance of ECC1 through ECC5 coded property.
        - Liability complications for losses derived from negligence or other wrongful conduct pertaining to use, loss, or custody.

Section 4: Significant Internal Control Activities and Accomplishments in FY 2018

The following JTF-W significant internal control activities and accomplishments occurred in FY 2018:

- Designed and implemented a Homeland Security Information Network (HSIN) Support Request tracking system designed to ensure effective tracking, feedback and accounting of a variety of field support requests throughout the JTF-W and its geographic corridors.
- Instituted a personnel Standard Operating Procedure (SOP) system designed to improve in/out processing effectiveness, reduce errors, omissions, and facilitate personnel turnover with minimal disruption to the JTF-W operational mission.
- Created an original HSIN-based Purchase Request tracker to more efficiently track acquisition requirements and funding levels throughout the JTF-W and its geographic corridors. The new system adds an important layer of internal accountability control via the tracking of all requests, approvals, and final purchases.

U.S. Customs and
Border Protection

August 10, 2018

MEMORANDUM FOR: Samuel D. Grable
                    Chief Financial Officer

FROM: Chief Counsel   (b) (6), (b) (7)(C)
                    Office of Chief C

SUBJECT: Fiscal Year 2018 Office of Chief Counsel Internal Control
                    Assurance Statement

(b) (5)

(b) (5)

If you have any questions or require additional information, please have a member of your staff contact (b) (6), (b) (7)(C) Director, Business Management, at (b) (6), (b) (7)(C)

AUG 2 3 2018

U.S. Customs and Border Protection

MEMORANDUM FOR: Samuel D. Grable
Chief Financial Officer
Office of Finance

FROM: Matthew Klein **(b) (6), (b) (7)(C)**
Assistant Comm~~~~~~~~~~
Office of Professional Responsibility

SUBJECT: Fiscal Year 2018 Office of Professional Responsibility
Internal Control Assurance Statement

During Fiscal Year (FY) 2018, the Office of Professional Responsibility (OPR) evaluated the system of controls for the programs and activities operating within our organization as well as the system of controls for the U.S. Customs and Border Protection (CBP) national programs for which OPR has program oversight.

Section 1: Program/Activity Reviews with No Significant Deficiencies

Based on these evaluations, I can state with reasonable assurance that the system of controls are adequate for the programs and/or activities listed below:

- FY 2018 Self-Inspection Program (SIP) cycle results.

Section 2a: Financial Program/Activity Reviews with Significant Deficiencies

The evaluations also identified **financial programs and/or activities** with system of controls that are adequate but had exceptions as described below in the following Management Inspections Division (MID) reviews:

- **MID-17-091 Self-Inspection Program (SIP) Validation Inspection Report: OPR Office of the Assistant Commissioner (AC) - Cycle 2017.** Objectives: 1) Assess office administration and implementation of SIP; 2) Evaluate the accuracy and completeness of reported self-inspection results; 3) Provide guidance or address SIP-related questions; and 4) Collect feedback concerning the self-inspection process that could be applied to enhance the program.
  - **(b) (5)**

- **MID-17-094 / MID-18-001: SIP - Validation Inspection Report: OPR Investigative Operations Division (IOD), Los Angeles – Cycle 2017.** Objectives: To determine whether

the office is: 1) Properly implementing established policies and procedures; 2) Complying with federal laws and regulations; and 3) Ensuring the security of funds, property, and other agency resources.

- o
- o
- o
- o

(b) (5)

Section 2b: Operational Program/Activity Reviews with Significant Internal Control Deficiencies

Review of the Enterprise Services, Performance Management and Analysis Division (PMAD), Government Performance and Results Act (GPRA) reporting requirements indicates OPR had no reportable significant deficiencies.

The evaluations identified **operational programs and/or activities** with systems of controls that are adequate but had exceptions as described below:

Asset Management – The CBP FY 2018 inventories for High Risk/Sensitive property, while continuing to show improvement, did not meet the Department of Homeland Security (DHS) goal of 100 percent accounting for Equipment Control Class 1 (ECC 1) assets. ECC1 assets are defined as assets that, if lost, could result in loss of life and/or critical mission impairment. This includes items that are dangerous or hazardous, law enforcement credentials, and classified or sensitive information. ECC 1 assets have a zero percent loss tolerance; CBP's rates do not meet the Department's target of 100 percent. The CBP/OPR inventory accuracy rate for ECC 1 assets maintained in the [(b) (7)(E)] was 00.01 percent, which represents [(b) (7)(E)] (which were subsequently found and returned to service) out of over [(b) (7)(E)] OPR ECC1 [(b) (7)(E)] items in inventory. Additionally, the OPR inventory accuracy rate for ECC 1 assets maintained in SAP—CBP's financial system of record—was 00.00 percent (zero losses).

- **OIG-SRG-0005: Disclosures Policies & Practices.** Objective: To conduct a preliminary inquiry into the Department of Homeland Security's (DHS)'s policies and practices relating to the disclosure of government information by DHS employees and contractors, including disclosures to the media. Lead Office: OPR. Final Report Issued 04/10/2018. Status: Canceled.

- ~~FOUO:~~ **OIG-18-18: Management Alert: CBP's Use of Examination and Summons Authority Under 19 U.S.C. Section 1509.** Objective: To review CBP's policies and

practices with respect to summonses issued pursuant to 19 U.S.C. 1509. Lead Office: OPR.
Final Report Issued 11/20/2017.

(b) (5)

- ~~FOUO.~~ **OIG 18-056-ISP-CBP, Immigration and Customs Enforcement (ICE), Transportation Security Administration (TSA) and the United States Secret Service (USSS): Employee Allegations of Sexual Harassment and Workplace Sexual Misconduct.** Objective: To determine whether CBP, ICE, TSA, and Secret Service appropriately report, investigate, and adjudicate employee allegations of sexual harassment and workplace sexual misconduct. Lead Office: OPR. Notification Date: 02/01/2018. In Progress.

- ~~FOUO/LES.~~ **GAO-17-605SU: Facility Security - Agencies Should Improve Methods for Assessing and Monitoring Risk.** Objectives/Key Questions: 1) To what extent do selected civilian federal agencies with facility protection responsibilities use risk assessments in the development of baseline countermeasures, in accordance with Interagency Security Committee standards? 2) To what extent have these agencies implemented the baseline countermeasures that result from any such risk assessments, and what challenges, if any, do they face in doing so? and 3) What steps are selected federal agencies and the Interagency Security Committee taking, if any, to enhance the use of committee standards to improve security and implement lessons learned, and what more, if anything, could be done?

(b) (5)

Section 3: Response to Prior Year (FY 2017) CBP Assurance Statement Conditions

OPR contributed to exceptions reported on the FY 2017 CBP Annual Assurance Statement and took the following actions to remediate the control exceptions:

- **MID-15-029: Processing, Utilization and Tracking of Ammunition.** Objective: Review temporary storage guidelines for ammunition. Provide CBP offices with updated guidance on options for ammunition storage when permanent facilities are not available or adequate.

(b) (5)

- **MID-18-095: CBP Internal Controls on Overtime Pay Caps.** Objectives: 1) Determine whether internal controls on overtime pay caps are in place at the office and agency level; and 2) Evaluate whether there are additional CBP employees who may have exceeded the overtime pay cap. Status: OPR has implemented a post pay period review of overtime earnings with notifications to the AC, Deputy AC, Chief of Staff, and Division Directors advising of high earners and proximity to the overtime cap.

(b) (5)

- **OIG-14-32: Integrity of CBP's Secure Electronic Network for Travelers' Rapid Inspection (SENTRI) Program.** Objective: To determine: 1) The adequacy of CBP's internal controls to detect and deter smugglers and drug traffickers from using SENTRI participants to transport illegal persons, contraband, or drugs; 2) To what extent has CBP established redress procedures for participants who believe they were wrongfully terminated from the SENTRI program; and 3) To what extent CBP is using and sharing data collected from the SENTRI, NEXUS, and Free and Secure Trade programs to identify illegal activities and trends associated with these programs. Lead: Office of Field Operations.

(b) (5)

- **OIG-16-75: Customs and Border Protection's Criminal Investigative Authority.** Objective: To determine whether CBP has an effective process to identify the required number of criminal investigators needed to accomplish its mission. Lead: OPR. OPR was assigned 4 out of 5 recommendations.

(b) (5)

(b) (5)

- **OIG-17-099-MA: Management Alert – CBP Spends Millions Conducting Polygraph Examinations on Unsuitable Applicants.** Objective: To determine whether DHS' polygraph examinations are an effective tool for screening new employees during the hiring process.

(b) (5)

- ~~FOUO.~~ **GAO-18-159SU (100928): Continuous Evaluation (CE) Process for Personnel Security Clearances.** Objectives: 1) To what extent have executive branch agencies designed, tested, and evaluated CE? 2) To what extent have executive branch agencies developed plans to implement CE and determined potential costs? and 3) To what extent are DOD and the Department of State investigating and adjudicating periodic reinvestigations of personnel security clearances in a timely manner and what is the potential impact of continuous evaluation on periodic reinvestigations? Lead Office: OPR. Final report date: 11/21/2017. No Recommendations.

- ~~FOUO.~~ **GAO 18-405 (101241): DHS' CBP, ICE and TSA Offices of Professional Responsibility.** Objectives: 1) What do CBP, ICE, and TSA Offices of Professional Responsibility data show about the amount, time frames, and outcomes of misconduct allegations and investigations from fiscal years 2014 through 2016? 2) To what extent do CBP, ICE, and TSA Offices of Professional Responsibility have internal controls for safeguarding independence, conducting investigations, and overseeing data systems? 3) To what extent do CBP, ICE and TSA Offices of Professional Responsibility have processes to identify and implement disciplinary actions, as appropriate based on investigation outcomes?; and 4) How do CBP, ICE, and TSA measure the performance of their Offices of Professional Responsibility? Lead: OPR. Draft Report Issued: 06/06/2018. Due dates will be assigned to recommendations once we receive the final report.

(b) (5)

(b) (5)

- ~~FOUO.~~ **GAO 102150: Federal Protective Service.** Lead Office OPR. Objectives: 1) To what extent, if any, is FPS positioned to manage for results? 2) To what extent, if any, does FPS oversee daily operations to ensure desired results and establish accountability?; and 3) How might any changes to FPS' organizational structure affect FPS' ability to carry out its responsibilities? Lead: OPR. Notification Date: 07/06/2017. In Progress.

- ~~FOUO.~~ **GAO-18-26SU (100970): Progress of Personnel Security Reform Efforts.** Objectives: 1) To what extent has the Security, Suitability and Credentialing Performance Accountability Council made progress in reforming the security clearance process? 2) To what extent have executive branch agencies taken steps to develop, implement, oversee, and report metrics to ensure the quality of background investigations and adjudications for the personnel security clearance process?; and 3) To what extent does the National Background Investigations Bureau have an organizational structure and workforce plan in place to effectively manage its background investigation functions and roles? Lead Office: OPR. Status: Final Report Issued 12/07/2017. No Recommendations.

- ~~FOUO.~~ **OIG-18-51: DHS's Implementation and Management of the Homeland Security Presidential Directive 12 Program.** Objective: To assess DHS' implementation and management of the HSPD-12 program at selected components. Lead Office: OPR. Final Report Issued: 02/15/2018. No Recommendations.

- ~~FOUO.~~ **OIG-18-50: TSA's Sensitive Security Information Program.** Objective: To determine whether TSA is effectively managing its Sensitive Security Information (SSI) program and its use of the SSI designation. Lead Office: OPR. Final Report Issued: 02/12/2018. No Recommendations.

U.S. Customs and Border Protection

August 8, 2018

MEMORANDUM FOR: Sam D. Grable
                   Chief Financial Officer

FROM: Rebekah A. Salazar (b) (6), (b) (7)(C)
                   Executive Director, P

SUBJECT: PDO FY18 Internal Control Assurance Statement

During Fiscal Year (FY) 2018, the Privacy and Diversity Office (PDO) evaluated systems of control for the programs and activities operating within PDO as well as systems of control for the U.S. Customs and Border Protection (CBP) national programs for which PDO has program oversight. Based on these evaluations, I can state with reasonable assurance that systems of control are adequate for the programs and/or activities listed below:

Program/Activity Reviews with No Significant Deficiencies

Freedom of Information Act (FOIA) - Comply with the Freedom of Information Act (Title 5 of U.S. Code, Section 552) to allow for the full or partial disclosure of previously unreleased information and documents in a manner consistent with E-government by developing and utilizing the strategies and procedures required by the Act.

- During SIP Cycle 2018, PDO conducted self-assessment activities of the FOIA program. No deficiencies were found.

FOIA FY18 STATISTICS – As of 8/4/18

- Number of FOIA requests received FY18 YTD: 76,200 (compared to 88,937 total FOIAs received in FY17).
- Number of FOIA requests closed FY18 YTD: 57,004 (compared to 88,937 total FOIAs closed in FY17).
- Total FOIA requests open: 21,106.

Civil Rights/Civil Liberties (CRCL)/Sexual Abuse/Assault, Prevention and Response (SAAPR) - Comply with all aspects of the Department of Homeland Security Civil Rights and Civil Liberties program and activities and implement the DHS Standards to Prevent, Detect, and Respond to Sexual Abuse and Assault in Confinement Facilities (Standards), by maintaining an aggressive program designed to prevent, deter, and respond to sexual abuse or assault of individuals in CBP custody, including holding facilities, during transport and processing.

- During SIP Cycle 2018, PDO conducted self-assessment activities of the Prevention and Response to Sexual Abuse and Assault SIP Worksheet. One non-significant and low-risk deficiency was found and correction item was identified.

Diversity/Inclusion and Equal Employment Opportunity - Implement Executive Order 13583 - *Establishing a Coordinated Government-wide Initiative to Promote Diversity and Inclusion in the Federal Workforce*; and the Federal Equal Employment Opportunity laws and regulations by developing and implementing comprehensive strategies and program management practices.

- During SIP Cycle 2018, PDO conducted self-assessment activities of the Diversity and Civil Rights program. No deficiencies were found.

FORMAL INVESTIGATION STATISTICS – As of 8/2/18

- PDO has processed 199 formal investigations.
- Of those investigations, 198 (or 99.5%) were processed timely

Privacy Act - Comply with all aspects of the Privacy Act of 1974 to govern the collection, maintenance, use, and dissemination of personal identifiable information (PII) maintained by CBP, by developing and implementing rigorous strategies and procedures.

- During SIP Cycle 2018, PDO conducted self-assessment activities of the Privacy program. No deficiencies were found.
- As of July 20, CBP's FISMA score is 98% (PIA) and 100% (SORN).
- As of July 20, 2018, there were 18 open privacy incidents and 78 closed FYTD.
- Privacy continues to research privacy incident trends to identify training/outreach needs.

Significant Internal Controls Activities and Accomplishments in FY 2018

FOIA Automation of Travel Records

(b) (5), (b) (7)(E)

Privacy Tracking System

Privacy developed and implemented a new internal case management and artifact tracking system to manage staff workload and ensure

August 24, 2018

MEMORANDUM FOR: Samuel D. Grable **(b) (6), (b) (7)(C)**
                    Chief Financial Of
                    Office of Finance

FROM: Bradley F. Hayes
                    Executive Director
                    Office of Trade Re

SUBJECT: Fiscal Year 2018 Office of Trade Relations Internal Control
                    Assurance Statement

During Fiscal Year (FY) 2018, the Office of Trade Relations (OTR) evaluated the systems of
controls for the programs and activities operating within our organization as well as the systems
of controls for the U.S. Customs and Border Protection (CBP) national programs for which OTR
has program oversight.

Section 1: Program/Activity Reviews with No Significant Deficiencies

Based on these evaluations, I can state with reasonable assurance that the system of controls are
adequate for the programs and/or activities listed below:

- Management knowledge gained from internal assessments
- Self-Inspection Program (SIP) cycle results
- GAO or OIG audits and special reports
- Management Inspection Division (MID) Management Assurance Reviews (MAR)
- Financial Management Policy Manual (FMPM) compliance, if applicable

Section 2a: Financial Program/Activity Reviews with Significant Deficiencies

OTR had no financial or program deficiencies identified through a program/activity review. All
inventory for ECC 1 assets maintained in the **(b) (7)(E)**
(b) (7)(E) were accounted for with a 100% accuracy rate.

Section 2b: Operational Program/Activity Reviews with Significant Internal Control Deficiencies

OTR had no deficiencies of an operational program nature identified from program/activity reviews.

Section 3: Response to Prior Year (FY 2017) CBP Assurance Statement Conditions

OTR has not taken any actions over the last year(s) in response to exceptions noted in the FY 2017 Consolidated CBP Assurance Statement.

Section 4: Significant Internal Control Activities and Accomplishments in FY 2018

The following significant internal control activities and accomplishments occurred in FY 2018:

- Implemented a new Trade Symposium Registration Tool to ensure CBP is compliant in protecting personally identifiable information (PII) by completing a Privacy Threshold Analyses (PTAs).

If you have any questions or need additional information, please feel free to contact (b) (6), (b) (7)(C) (b) (6), (b) (7)(C) of my staff on (b) (6), (b) (7)(C)

DATE: August 15, 2018

MEMORANDUM FOR: Samuel D. Grable
                         Chief Financial Officer

FROM: (b) (6), (b) (7)(C) Chief of Staff
                         Intergovernmental Public Liaison, Office of the Commissioner

SUBJECT: Fiscal Year 2018 Intergovernmental Public Liaison (IPL) Internal
                         Control Assurance Statement

During Fiscal Year (FY) 2018, Intergovernmental Public Liaison (IPL) evaluated the systems of
controls for the programs and activities operating within our organization as well as the systems
of controls for the U.S. Customs and Border Protection (CBP) Information Center (CIC) for
which IPL has program oversight.

Section 1: Program/Activity Reviews with No Significant Deficiencies

Based on these evaluations, I can state with reasonable assurance that the system of controls are
adequate for the programs and/or activities listed below:

- Self-Inspection Program (SIP) cycle results for the CBP Information Center:
  o Civil Rights and Civil Liberties
  o Diversity and Civil Rights
  o Major Acquisitions
  o Mandatory Employee Verification
  o Mandatory Supervisor Training
  o Occupational Safety & Health – All Offices
  o Occupational Safety & Health – Training
  o Personal Property Management
  o Physical Computer Security/Systems Access
  o Prevention and Response to Sexual Abuse and Assault
  o Privacy
  o Purchase Card Program
  o TECS/SEACATS
  o Time and Attendance

Section 2a: Financial Program/Activity Reviews with Significant Deficiencies

The evaluations did not identify any financial programs and/or activities with significant deficiencies within their systems of controls.

Section 2b: Operational Program/Activity Reviews with Significant Internal Control Deficiencies

The evaluations did not identify any operational programs and/or activities with significant deficiencies within their systems of controls.

Section 3: Response to Prior Year (FY 2017) CBP Assurance Statement Conditions

Intergovernmental Public Liaison did not have any contributions to exceptions reported on the FY 2017 CBP Annual Assurance Statement.

Section 4: Significant Internal Control Activities and Accomplishments in FY 2018

The following significant internal control activities and accomplishments occurred in FY 2018:

- The SIP cycle 2018 results for IPL revealed high levels of compliance in executing many functions supporting the CBP mission.

**U.S. Customs and
Border Protection**

August 23, 2018

MEMORANDUM FOR: Samuel D. Grable
                  Chief Financial Officer

FROM: (b) (6), (b) (7)(C)
                  Meghann K. Peterlin
                  Executive Director
                  Policy Directorate
                  Office of the Commissioner

SUBJECT: Fiscal Year 2018 Policy Directorate Internal Control Assurance
                  Statement

During Fiscal Year (FY) 2018, the Policy Directorate (PD) evaluated the systems of controls for
the programs and activities operating within our organization as well as the systems of controls
for the U.S. Customs and Border Protection (CBP) national programs for which PD has program
oversight.

Section 1: Program/Activity Reviews with No Significant Deficiencies

PD participated in the FY 2018 Self Inspection Program cycle. PD analyzed the following areas
and found no significant deficiencies:

- Conference Planning;
- Diversity and Civil Rights;
- Emergency Preparedness;
- Employee Separations;
- Mandatory Employee Verification;
- Occupational Safety & Health;
- Occupational Safety & Health Training;
- Occupational Safety & Health – Worker's Compensation;
- Personal Property Management;
- Physical Computer Security / Systems Access;
- Privacy; and
- Time and Attendance.

Based on these evaluations, I can state with reasonable assurance that the system of controls are
adequate for the programs and/or activities listed below:

- Management knowledge gained from internal assessments
- Self-Inspection Program (SIP) cycle results
- (b) (7)(E)

Section 2a: Financial Program/Activity Reviews with Significant Deficiencies

Not applicable.

Section 2b: Operational Program/Activity Reviews with Significant Internal Control Deficiencies

Not applicable.

Section 3: Response to Prior Year (FY 2017) CBP Assurance Statement Conditions

Not applicable.

Section 4: Significant Internal Control Activities and Accomplishments in FY 2018

The following significant internal control activities and accomplishments occurred in FY 2018:

- Initiated a Policy Online Document Search (PODS) system modernization effort with OIT.

If you have any questions, please contact me or have a member of your staff contact (b) (6), (b) (7)(C) at (b) (6), (b) (7)(C)

(b) (5)

(b) (5)

(b) (5)

(b) (5)

(b) (5)

(b) (5)

(b) (5)

(b) (5)

(b) (5)

(b) (5)

AUG 2 1 2018

**U.S. Customs and
Border Protection**

MEMORANDUM FOR: Samuel D. Grable
Chief Financial Officer
Enterprise Se ███████ (b) (6), (b) (7)(C)

FROM: ⟨ ⟍Todd C. Owe ████████████
Executive As ████████████ ner
Office of Fie ████████████

SUBJECT: Fiscal Year 2018 Office of Field Operations
Internal Control Assurance Statement

During Fiscal Year (FY) 2018, the Office of Field Operations (OFO) evaluated the systems of controls for the programs and activities operating within our organization as well as the systems of controls for the U.S. Customs and Border Protection (CBP) national programs for which OFO has program oversight.

Audits

U.S. Government Accountability Office (GAO):

- o Nonimmigrant Visa Security (GAO-18-104SU): The objectives were to determine:
  1) how, if at all, do processes for conducting security screening and background checks for petition-based nonimmigrant visas (NIV) (e.g., K visas, H-1B visas) compare to other NIVs (e.g., B1/B-2 visas); 2) how are the Departments of Homeland Security (DHS) and State (State) considering using additional information to vet nonimmigrant applicants, and what is the status of these efforts; 3) to what extent has U.S. Immigration and Customs Enforcement's (ICE) presence at posts abroad through its Visa Security Program (VSP) improved the efficiency and effectiveness of State's NIV adjudication process; and 4) to what extent has U.S.-based interagency vetting, such as the National Counterterrorism Center's Kingfisher Expansion and DHS's ███ **(b) (7)(E)** ███████ **(b) (7)(E)** ███████████ initiative, improved the efficiency and effectiveness of the NIV review process.

- o CBP Public-Private Partnerships, Reimbursable Services Program (RSP) /Donations Accepted Program (DAP) / (GAO-18-268SU): The objectives were to evaluate: 1) the purposes for which CBP uses funds and donations from its public-private partnership agreements; 2) how CBP approves and administers public-private partnership agreements under RSP and DAP, and the benefits received and challenges faced, if any, by CBP and

its stakeholders in implementing these agreements; and 3) the extent to which CBP has processes in place to monitor and evaluate the implementation of these agreements.

Department of Homeland Security (DHS) Office of Inspector General (OIG):

o   Review of CBP's January 2, 2017 System Outage (OIG 18-19): The objectives were to determine whether CBP's alternative efforts to process arriving international travelers at airports during the outage were effective; and whether CBP is taking sufficient steps to prevent similar system outages in the future.

o   Review of CBP's FY 2017 Accounting of Drug Control Funding and Performance Summary (OIG-18-47/OIG-18-48): The objective was to determine whether management's assertions and performance information included in CBP's reports were reliable.

Inspections

Self-Inspection Program (SIP) Cycle 2018:

o   *SIP Overview*: OFO Headquarters and Field Offices had 66 active self-inspection worksheets (SIW). The SIWs were distributed nationwide to all impacted OFO Headquarters and Field Offices resulting in the completion of 7,602 individual SIWs with an overall rate of compliance—92.40 percent.

o   *SIP Results:*

The following were SIWs associated with internal controls for which OFO had a compliance rate of less than 90 percent.

No.	SIW Name	Compliance Rate
1	Anti-Dumping/Countervailing Duties (AD/CVD)	72.73%
2	Body Armor	(b) (7)(E)
3	Canine Enforcement Program	(b) (7)(E)
4	Change Making Funds-Imprest Funds	82.93%
5	Civil Rights and Civil Liberties Executive Assistant Commissioners	75.00%
6	Customs-Trade Partnership Against Terrorism (C-TPAT)	82.68%
7	Employee Separations	86.55%
8	Fines, Penalties and Forfeitures	85.23%
9	Firearms/Less-Lethal Training and Use of Force	(b) (7)(E)
10	Freedom of Information Act (FOIA)	89.71%
11	Major Acquisitions	81.95%
12	Mandatory Supervisory Training	80.46%
13	Occupational Safety and Health - Training	87.72%

14	Occupational Safety and Health Workers Compensation Injury Compensation Coordinator (ICC)	84.88%
15	Personal Search Policy (Air, Land, and Sea)	(b) (7)(E)
16	Privacy	83.59%
17	Receipt and Acceptance of Ordered Goods and Services	80.80%
18	Uniform Allowance Account Management	42.96%

The following are SIWs associated with internal controls for which OFO had a high compliance rate, i.e., greater than 90 percent:

No.	SIW Name	Compliance Rate
1	Airport Security Program	92.81%
2	Awards	97.88%
3	Badges and Credentials	97.64%
4	Border Search Documentation	94.06%
5	Broker Licensing/ Compliance	93.52%
6	Cargo Control (Agriculture)	98.28%
7	Cargo Control – Bonded Facility	95.17%
8	CBPO – Enforcement Operational Plans – Warrant Service	100.00%
9	Civil Penalties (Agriculture)	91.18%
10	Clearance of Vessels (Agriculture)	100.00%
11	Collections and Deposits	95.83%
12	Conference Planning	100.00%
13	Confined Spaces	94.22%
14	Conveyance Arrivals	100.00%
15	Currency - Serially Numbered Forms	98.8%
16	Diversity and Civil Rights	97.62%
17	Drawback	100.0%
18	Emergency Preparedness (Field)	97.44%
19	Emergency Preparedness (Headquarters)	100.00%
20	Fleet Card Program	95.21%
21	Global Entry	94.02%
22	In-Bond	92.64%
23	Incident Report Log	96.61%
24	Information Technology Acquisition Review – Executive Assistant Commissioners	100.00%
25	Land Border Directive	98.18%
26	Mandatory Employee Verification	96.31%
27	NEXUS Program Automation for Passengers	93.79%
28	Occupational Safety and Health (All Offices)	91.09%
29	Occupational Safety and Health (Cargo)	95.04%

30	Occupational Safety and Health (Selected Offices)	96.24%
31	Outbound Enforcement Operations	98.53%
32	Passenger Analysis Units (Air/Sea)	96.52%
33	Personal Property Management	90.30%
34	Pest Exclusion (Agriculture)	99.03%
35	Physical Computer Security/Systems Access	99.61%
36	Prevention and Response to Sexual Abuse and Assault Detention and Facilities	97.59%
37	Primary Lookout Over-Ride	90.91%
38	Purchase Card Program	96.24%
39	Secure Detention, Escort and Transport at Ports of Entry	95.49%
40	Seized Property Management – Seizures	93.63%
41	Seized Property Management – Vaults	61.69%
42	SENTRI Program Automation for Passengers	93.85%
43	Small Vessel Reporting	93.00%
44	TECS/SEACATS	95.63%
45	Time and Attendance	97.30%
46	Travel Card Program	94.81%
47	Vehicle Management	92.57%
48	Workers Compensation	98.65%

Management Assurance Reviews (MARs):

o *MARs Overview*: MID conducted 15 MARs. The objective of the MARs were to assist OFO with improving its compliance with CBP policies and procedures, its effectiveness, and operational efficiency. The scope of these MARs presented an assessment of the core management responsibilities and activities that were most susceptible to non-compliance, especially in the areas of financial, technological, and physical vulnerabilities.

The following OFO MARs were conducted:

No.	Report Number	Title
1	MID-17-082	MAR-OFO Miami Airport
2	MID-17-083	MAR-OFO Miami Seaport
3	MID-17-087	MAR-OFO Port of Douglas
4	MID-18-002	MAR-OFO Director Field Operations, Los Angeles
5	MID-18-003	MAR-OFO Port Everglades and Fort Lauderdale International Airport
6	MID-18-004	MAR-OFO Buffalo C-TPAT Field Office
7	MID-18-007	MAR-OFO Houston CTPAT Field Office
8	(b) (7)(E)	MAR-OFO (b) (7)(E)

9	MID-18-105	MAR-OFO Progreso Port of Entry
10	MID-18-107	MAR-OFO Area Port of Marcelina Serna Tornillo
11	MID-18-110	MAR-OFO Orlando Area Port
12	MID-18-111	MAR-OFO Port of Presidio
13	MID-18-112	MAR-OFO Port of Newark
14	(b) (7)(E)	(b) (7)(E)
15	MID-18-124	MAR-OFO Area Port of Boston

- o *MAR Results--Significant MAR Findings for OFO by Subject Area:*

  - *Accountability of Firearms, Body Armor and Ammunition*: Common findings included management should ensure that the (b) (7)(E), (b) (5) and that body armor policy is reiterated to all employees and supervisors.

  - *Fleet Card/Vehicle Management*: Findings of non-compliance included purchases of fleet maintenance and repairs rendered prior to approval and/or Fleet Card Transaction worksheet (DHS Form 1502) were not properly completed. Additionally, Electronic Data Interchange System invoices were not accepted and certified timely in Systems Applications and Products System.

  - *Emergency Preparedness and Safety Planning*: Common findings included annual Continuity of Operations Plan and/or quarterly Occupant Emergency Plan (OEP) evacuation drills or exercises were not being conducted at least semi-annually, and OEP was incomplete or not updated.

Self-Inspection Program (SIP) Validation Inspection:

- o *SIP Validation Inspection Overview:* MID conducted 17 SIP Validation. The objective of the SIP Validation Inspection was to ensure OFO was in compliance with existing CBP management controls, oversight responsibilities, and requirements to promote effective and efficient accomplishment of the CBP mission. The scope of the SIP Validation Inspection results served as data from which CBP senior managers identified systemic weaknesses or vulnerabilities that needed correction at the policy or procedural level.

  The following OFO SIP Validation Inspections were conducted:

No.	Report Number	Title
1	MID-17-081	SIP-OFO Port of Brunswick-Cycle 2017
2	MID-17-085	SIP-OFO Port of Atlanta-Cycle 2017 .
3	MID-17-086	SIP-OFO Atlanta Field Office-Cycle 2017
4	MID-18-097	SIP-OFO Port of Lukeville-Cycle 2017
5	MID-18-099	SIP-OFO Area Port of Phoenix-Cycle 2017
6	MID-18-102	SIP - OFO Port of Roma-Cycle 2017
7	MID-18-103	SIP-OFO Port of Brownsville-Cycle 2017

8	MID-18-104	SIP-OFO Port of Rio Grande City-Cycle 2017
9	MID-18-116	SIP-OFO Area Port of Calexico-Cycle 2018
10	MID-18-117	SIP-OFO Port of San Luis-Cycle 2018
11	MID-18-118	SIP-OFO Port of Andrade-Cycle 2018
12	MID-18-120	SIP-OFO Area Port of Port Huron-Cycle 2018
13	MID-18-125	SIP-Area Port of Norfolk-Cycle 2018
14	MID-18-126	SIP-Port of Richmond-Petersburg-Cycle 2018
15	MID-18-133	SIP-OFO Port of Roosville-Cycle 2018
16	MID-18-136	SIP-OFO New York Field Office-Cycle 2018
17	MID-18-137	SIP-OFO Port of JFK-Cycle 2018

o *Significant SIP Validation Inspection Findings for OFO by Subject Area:*

- *Accountability of Firearms, Body Armor and Ammunition:* Common findings included management should ensure that the ▮▮▮(b) (7)(E), (b) (5)▮▮▮ and that body armor policy is reiterated to all employees and supervisors.

- *Employee Separations:* Common findings included management should ensure the CBP Form 241 is completed accurately in accordance with CBP Directive 51715-005D, *Separation Procedures for CBP Employees* and CBP Form 241, *Separation Clearance Instructions.* Provide additional training to supervisors and responsible employees to ensure that all are aware of these requirements.

- *Occupational Safety and Health – Workers' Compensation (ICC):* Findings of non-compliance included failure to investigate occupational injuries/illnesses sustained by employees could result in unsafe conditions persisting in the workplace that place employees at continued risk for injury or illness. Local procedures did not ensure that occupational injuries/illnesses sustained by employees are investigated by supervisors within 48 hours of notification and/or the investigation was not properly annotated on the CBP Form 502, Safety Investigation Data Form.

Section 2a: Financial Program/Activity Reviews with Significant Deficiencies

CBP Internal Crosswalk of issues with Key Financial Risk:

- Drawback Payments: CBP's Automated Commercial System (ACS) had inherent limitations in detecting and preventing excessive drawback claim payments. The Trade Facilitation and Trade Enforcement Act (TFTEA) of 2015, signed into law on February 24, 2016, provided significant enhancements to the drawback laws under 19 USC 1313. Planned Automated Commercial Environment (ACE) deployments will further operationalize the provisions in the TFTEA and help CBP address longstanding weaknesses related to drawback payments, while (1) streamlining drawback processes for both CBP and the Trade, and (2) aiding in revising document retention requirements.

  Until the legislative changes and system improvements are realized, CBP expects Drawback controls to remain a significant deficiency. GAO initiated an audit entitled: "Drawback Modernization (102583)" in response to a congressional mandate in section 906 of the TFTEA, but advised on May 2, 2018 that GAO has suspended the review until the regulatory process has advanced.

- Revenue and Receivable Management (Entry Revenue): Deficiencies existed in various areas, including bond sufficiency and entry edit/exception reporting. In addition, a FY 2017 GAO report entitled: "Foreign Trade Zones: CBP Should Strengthen Its Ability to Assess and Respond to Compliance Risks across the Program" (GAO-17-649), identified weaknesses in CBP's monitoring of the Foreign Trade Zone (FTZ) program.

  Specifically, CBP does not centrally compile FTZ compliance and enforcement information to analyze and respond to compliance and internal control risks across the program. Weaknesses in controls in reviewing and validating bond sufficiency, monitoring of FTZs, and running and reviewing entry edit/exception reports could impact CBP's ability to be aware of all items entering the U.S. commerce and collect all revenues owed.

  GAO issued final report GAO-17-649 with three recommendations to which OFO concurred. OFO will collect data to conduct the risk analysis across the FTZ program and will draft and finalize a compliance review handbook for the Automated Commercial Environment (ACE) that incorporates the updated risk assessment tools and best practices for FTZ compliance review and risk categorization by March 31, 2019.

- Property Management: CBP's monitoring and oversight procedures for internal use software (IUS), including evidence of management reviews, are not sufficient to verify project costs are accurately classified into appropriate phases (e.g., design, development, and operations and maintenance) prior to being capitalized or expensed. This increases the risk that IUS costs may not be recorded accurately. Additional deficiencies related to seized and forfeited property, including a lack of review of seizure information entered into SEACATS to identify and investigate abnormal balances prior to inclusion in the footnote disclosure, increase the risk that not all seized and forfeited property is recorded

completely, at the correct value/volume, or is not properly disclosed in the financial statements. OFO is participating in the DHS OIG audit entitled: "DHS' Use and Oversight of Administrative Asset Forfeiture in Accordance with Applicable Law and Policy" (18-104-AUD-USCG-CBP-ICE-USSS), with the objectives to determine whether DHS uses administrative seizure and forfeiture authorities as intended by law and policy and DHS has adequate controls and oversight to prevent the abuse of administrative asset forfeiture authority.

- Core Financial Systems: CBP's ACS does not maintain trade receivable activity at the transaction level. This issue will be addressed by an ongoing initiative to refactor or replace ACS with a revenue management system that enables CBP to collect, deposit, and report revenue. The systems maintaining CBP's aircraft and marine spare parts inventories do not report addition and usage activity at the transaction level. OFO is participating in DHS OIG audit entitled: "CBP's Investigation and Revenue Collections Processes for Importer Fraud" (17-022-AUD-CBP) with the objective to determine whether CBP and Homeland Security Investigations have established controls to identify and collect revenue from non-compliant high-risk trade activities. OFO continues to work with Office of Trade and Enterprise Services, Office of Information and Technology to address this deficiency finding through updates in the ACE, which replaced ACS.

- Overtime Pay Cap Monitoring: CBP lacks consistent, agency-wide oversight of employees' overtime earnings. The DHS Appropriations Act established an overtime pay cap, which prohibits any CBP employee from receiving overtime compensation in excess of $45,000 in a fiscal year without prior authorization (this limit was $35,000 prior to FY 2017). Exceeding the cap without authorization may be considered a violation of the Anti-Deficiency Act (ADA).

  DHS is currently conducting an investigation regarding a potential violation of the ADA in FY 2015 and FY 2016 that CBP reported as a result of nine employees whose overtime earnings exceeded the overtime pay cap established by DHS appropriations law without authorization. DHS will determine whether an ADA violation has occurred.

  MID conducted an inspection entitled: "CBP's Internal Control on Overtime Pay Caps" (MID-18-095) and issued a final report with six recommendations, on January 8, 2018. The following recommendations impacted OFO: 1) regularly monitor the overtime earnings of those employees previously granted waivers to ensure they are not paid in excess of the new statutory overtime cap indicated on their approved waivers; 2) ensure payroll monitoring includes all employees in the organization; and 3) once the CBP-wide overtime directive and SOP have been implemented, develop an office-wide policy governing overtime.

If we can be of further assistance, please contact me, at (b) (6), (b) (7)(C) or have a member of your staff contact Executive Director Colleen M. Manaher, Planning, Program Analysis, and Evaluation, at (b) (6), (b) (7)(C)

**U.S. Customs and
Border Protection**

AUG 2 4 2018

MEMORANDUM FOR: Samuel D. Grable
                                Chief Financial Officer

FROM: Edward E. Young
                                Executive Assistant Commissioner
                                Air and Marine Operations

SUBJECT: Fiscal Year 2018 Air and Marine Operations Internal Control
                                Assurance Statement

During Fiscal Year (FY) 2018, Air and Marine Operations evaluated the systems of controls for the programs and activities operating within our organization as well as the systems of controls for the U.S. Customs and Border Protection (CBP) national programs for which Air and Marine Operations has program oversight.

Section 1: Program/Activity Reviews with No Significant Deficiencies

Based on these evaluations, I can state with reasonable assurance that the system of controls are adequate for the programs and/or activities listed below:

- Self-Inspection Program Fiscal Year 2018 cycle results
- GAO-18-339, "Homeland Security Acquisitions: Leveraging Programs' Results Could Further DHS's Progress to Improve Portfolio Management"
- GAO-18-344, "DHS Program Costs: Reporting Program-Level Operations and Support Costs to Congress Would Improve Oversight"
- MID-18-095-FA, "Limited Review: U.S. Customs and Border Protection Internal Controls on Overtime Pay Caps"

Section 2a: Financial Program/Activity Reviews with Significant Deficiencies

- **Core Financial Systems** – Air and Marine Operations aircraft and vessel asset management systems are still not in compliance with the Federal Financial Management Information Act (FFMIA) requirement. The "Items Held for Use" inventory transactions in the Computerized Aircraft Reporting and Material Control System (CARMAC), and the Customs Automated Maintenance and Inventory Tracking System (CAMITS), are still not integrated with Systems, Applications, and Products (SAP). Remediation efforts include the following actions:
  - o The Department of Homeland Security has purchased MAXIMO/MAXIMO for Aviation (MFA) to replace CARMAC. We intend to leverage current Office of

Information and Technology (OIT) license availability and "purchase" the Aviation module and SAP plug-in.

o MAXIMO has a SAP interface module that can be configured to satisfy the financial system requirements. Our intent is to use the SAP interface and the program team is working with the Office of Finance ensure that MFA satisfies the FFMIA requirements. MFA configuration release 1.0.3 internal testing is complete and moved to System Acceptance Test (SAT) and ready for User Acceptance Test (UAT). Release 1.0.4 is being applied to TEST. Work continues on Jira tasks toward 1.0.4.

o MFA conducts quarterly Program Management Reviews (PMR) to report on the current status, any issues, and the way forward. The next PMR is tentatively scheduled for September 2018.

o It will take at least a year to configure and fully implement MFA and the SAP interface module. We have decided to leverage OIT's existing MAXIMO instance and licenses. That decision should result in reducing the time required to implement MAXIMO. MFA is scheduled to roll-out out a Phase I release in the first quarter or early or early second quarter of Fiscal Year 2019.

Section 2b: Operational Program/Activity Reviews with Significant Internal Control Deficiencies

- **Unit Maintenance Inspection (UMI)** – UMIs conducted this fiscal year follow pre-established inspection protocols to verify compliance with CBP policies and procedures in the areas of maintenance, record keeping, and safety practices. Inspections were conducted at 17 branches with 17 reports of findings issued to those branches. Of those branches inspected, only three have completed the reports and closed out their findings. Due to the high volume of branches that the UMI team is tasked to inspect, it is difficult to keep up with the points of contact at each branch to complete the reports in a timely manner. Currently, there is no automated system that can be updated as findings are remedied and then reviewed by the program manager at headquarters to monitor each branches progress. Such a system could aid the program managers and points of contact with keeping up with remedies and closing out required reports in a timely manner.

Section 3: Response to Prior Year (FY 2017) CBP Assurance Statement Conditions

Air and Marine Operations contributed to exceptions reported on the FY 2017 CBP Annual Assurance Statement and took the following actions to remediate the control exceptions:

- **Overtime Pay Cap Monitoring** – Air and Marine Operations monitors the consumption of overtime and premium pay through the following mechanisms:

  1. After receipt of an enacted budget, the Operations staff at Headquarters distributes to Air and Marine Operations field personnel an overtime and premium pay allocation for the fiscal year.
     a. The Office Standing Report which includes this data is updated after each pay period and disturbed to the field.

    b. Any overages in consumption by one office over another are handled at the regional level.

    c. Increase and/or decrease to allocations are requested and approved by Headquarters in advance of consumption.

2. In addition to the Office Standing Report, overtime reports that identify the consumption of overtime by individual employees are distributed to offices after each pay period.

    a. These reports provide a projection of whether an employee is likely to exceed any pay caps based on prior consumption and trending forward.

    b. Any anomalies in the data are highlighted and brought to the attention of the regions to address and correct.

3. Furthermore, in accordance with Air and Marine Operations Policy 230.02, "Waiver of Overtime Pay Limitations," personnel who anticipate that they may exceed the internal $35,000 overtime limitations policy must submit a waiver to the Executive Assistant Commissioner seeking approval in advance of breaching any Air and Marine Operations-imposed pay or statutory limitations.

Section 4: Significant Internal Control Activities and Accomplishments in FY 2018

The following significant internal control activities and accomplishments occurred in FY 2018:

- **Safety Management System (SMS)** – In January, Executive Assistant Commissioner Edward Young signed the SMS Policy Statement. This included an SMS manual that combines the very best safety practices that have proven effective across diverse organizations and industry. Approximately 80 percent of Air and Marine Operations Executive Directors and Directors have received SMS training. A mobile team has begun training first-line supervisors, standardization instructors, and operations personnel.

- **Unit Inspections (UI)** – UIs conducted this fiscal year follow pre-established inspection protocols to verify compliance with CBP policies and procedures in the areas of safety, training, standards, and tactics. Inspections were conducted at seven branches. Three of the UI's are complete with a formal report submitted. The remaining four are pending a formal report. Upon completion of the UIs a trend was observed in Tactics in regards to the use of (b) (7)(E) is a system that allows instructors such as Firearms Instructors and Less Lethal Instructors to input and track required quarterly training for each agent to show currency and proficiency in all facets of tactics training. The findings by the inspectors is that instructors are not inputting the training results into the (b) (7)(E) program in a timely manner or sometimes not at all. This also includes waivers for agents that are on military leave or injured that cannot maintain qualifications. It has been determined that the primary cause is the lack of primary training an instructor receives on the (b) (7)(E) program and the lack of follow up training on the program as (b) (7)(E) is updated. It may be beneficial to (b) (5) (b) (7)(E), (b) (5)

**U.S. Customs and
Border Protection**

MEMORANDUM FOR: Sam D. Grable
                   Chief Financial Officer

FROM: Brenda B. Smith
                   Executive Assistant Commissioner
                   Office of Trade

SUBJECT: Fiscal Year 2018 Office of Trade Internal Control Assurance
                   Statement

During Fiscal Year (FY) 2018, the Office of Trade (OT) evaluated the systems of controls for the programs and activities operating within our organization as well as the systems of controls for the U.S. Customs and Border Protection (CBP) national programs for which Office of Finance (OF) has program oversight. Based on these evaluations, I can state with reasonable assurance that the system of controls are adequate for the programs and/or activities listed below:

- Management knowledge gained from internal assessments.
- Self-Inspection Program (SIP) cycle results.
- Government Accountability Office (GAO) or Office of Inspector General (OIG) audits;
- CBP system access as it relates to separating employees and Personal Identity Verification (PIV) cards.
- OT has adequate controls in place over Government Charge Card and conference-related activities based on the 2018 self-inspection results.
- Asset Management – 2018 Inventory for High-Risk/Sensitive Property. All property (100 percent) was accounted for and any lost property was reported to the Board of Survey as required.
- Financial Management Policy Manual (FMPM) compliance, if applicable.
- Regulatory Audit and Agency Advisory Services (RAAAS) completed the SIP of RAAAS Headquarters and Field Office policies, procedures, processes, and functions for FY 2017 and identified minimal deficiencies that required corrective actions (details are described below).
- RAAAS is conducting a Continuing Professional Education (CPE) evaluation of training hours completed during calendar years 2016 and 2017 to determine if RAAAS's training program ensures that each auditor met their Generally Accepted Government Auditing Standards (GAGAS) and organizational training requirements. RAAAS expects this review to be completed by August 31, 2018.

The evaluations also identified programs and/or activities with systems of controls that are adequate with the exception of the conditions identified below:

- SIP Cycle 2018: There were 18 corrective actions required for Headquarters, Boston, Houston, San Francisco, and Miami Field Offices; and Buffalo, Minneapolis, Fort Mitchell and Dallas Branch Offices. Of the 18 corrective actions, 12 of the actions were remedied and closed. The remaining six corrective actions are expected to be remedied and closed by August 31, 2018 and are summarized as follows:
    - Houston Field Office did not create separation requests using CBP Employee Separation link for two individuals; and
    - The remaining five corrective actions are related to RAAAS training.
- Management Assurance Review, Atlanta Field Office (AFO), dated August 30, 2017 (MID-17-084): There was one finding for CBP Form 241 – Separation Clearance not completed properly. The corrective action was to ensure these forms were completed properly in the future and to provide additional training to supervisors and responsible employees to ensure that all are aware of the requirements. Relevant training was conducted on September 5, 2017 to close out this corrective action, and communicated to the Chief Accountability Officer (CAO), Office of Administration (OA) on October 16, 2017.
- OT contributed to exceptions reported on the FY 2017 CBP Annual Assurance Statement and took the following actions to remediate the control exceptions:
    - Drawback Payments: CBP has transitioned drawback processing from a paper-based Automated Commercial System (ACS) process to Automated Commercial Environment (ACE) to bolster the agency's ability to prevent over-refunding of drawback claims and to simplify drawback processing. The enactment of the Trade Facilitation and Trade Enforcement Act (TFTEA) of 2015 provides CBP two years to transition and implement all of the drawback provisions contained within its guidelines. On February 24, 2018, CBP deployed the drawback capabilities providing CBP with enhanced financial controls over drawback claims. Recommend closing out this issue.
    - Core Financial Systems: CBP's ACS does not maintain trade receivable activity at the transaction level. This issue will be addressed by an ongoing initiative to refactor or replace ACS with a revenue management system that enables CBP to collect, deposit, and report revenue. CBP continues to make progress toward replacing the existing systems. Recommend this issue be transferred to OF.
    - Revenue and Receivable Management: Tests of design performed over Revenue and Receivable Management functions yielded some deficiencies in separate areas, including debit vouchers processing, sufficiency of single transaction bonds and continuous bonds, revenue suspense account (BCA), and standard operating procedures for debit voucher processing and the BCA weekly report. Tests of operational effectiveness were not performed due to the test of design deficiencies identified and ongoing ACE implementation; however, Financial Management Division (FMD) performed a reconciliation between ACS and SAP to provide reasonable assurance that revenue collections processes in ACS are accurately and completely posted to their

corresponding Revenue general ledger accounts in SAP. Recommend this issue
be transferred to Office of Information and Technology (OIT) and/or OF.

The following significant internal control activities and accomplishments occurred in FY 2018:

- Implemented monthly budget brief with the Deputy Executive Assistant Commissioner (DEAC) and Executive Directors (XDs) to report changes in pay, non-pay, and reimbursable funding for Office of Trade.
- Monitored budget transactions and balances and participated in periodic budget tag-ups with the OF Budget Directorate.
- Provided oversight over fleet car mileage and fleet card transactions ensuring and validating that charges are appropriate.
- Provided oversight on purchase card transactions to ensure that all requirements were met and all required approvals were obtained.
- Met monthly with the Office of Human Resources Management (HRM) to ensure that hiring data is consistent and that there is adequate funding to support pay for Office of Trade staff.
- Monitored travel via CONCUR and SAP to ensure that all travel authorizations and vouchers were processed as required.
- Processed all training forms via a training email inbox to ensure that all required forms and approvals were obtained and adequate funding was available.
- RAAAS initiated a pilot project to restructure its Internal Quality Assurance Reviews. The goal of the project is to introduce a collaborative approach between Headquarters and the Field Offices to facilitate a timely and transparent methodology which will ensure continued compliance with GAGAS and current RAAAS policy.
- RAAAS continues to administer the Field Quality Assurance Program (FQAP) for all audit assignments. This program functions as a cooperative effort between Headquarters and the Field Offices to ensure audits are conducted in accordance with GAGAS and current RAAAS policy.
- RAAAS completed a realignment which introduced a 6:1 reporting structure ratio in all Field Offices designed to absorb TFTEA-driven increased workflow and audit complexities. RAAAS also introduced ten new quality assurance positions located in each Field Office to increase operating effectiveness.

U.S. Customs and Border Protection

MEMORANDUM FOR: Samuel D. Grable
Chief Financial Officer
Office of Finance

(b) (6), (b) (7)(C)

FROM: Linda L. Jacksta
Deputy Executive Assista...
Operations Support

SUBJECT: Fiscal Year 2018 Operations Support Internal Control Assurance Statement

During Fiscal Year (FY) 2018, Office of Operations Support (OS) evaluated the systems of controls for the programs and activities operating within our organization, as well as the systems of controls for the U.S. Customs and Border Protection (CBP) national programs for which OS has program oversight.

Section 1: Program/Activity Reviews with No Significant Deficiencies

Office of Intelligence

Based on these evaluations, I can state with reasonable assurance that the system of controls are adequate for the programs and/or activities listed below:

- The FY 2018 Self-Inspection Program (SIP) areas identified for completion. Major areas Office of Intelligence (OI) reviewed include:
  - Awards;
  - Badges and Credentials;
  - Body Armor;
  - Conference Planning;
  - Diversity and Civil Rights;
  - Emergency Preparedness – Headquarters;
  - Employee Separations;
  - Firearms/Less-Lethal Training and Use of Force;
  - Fleet Card Program;
  - Information Technology Acquisition Review (ITAR) – Assistant Commissioners;
  - Major Acquisitions;
  - Mandatory Employee Verification;
  - Mandatory Supervisory Training;
  - Occupational Safety & Health – All Offices;
  - Occupational Safety & Health – Training;

- o Occupational Safety & Health – Worker's Compensation (ICC);
- o Personal Property Management;
- o Physical Computer Security/Systems Access;
- o Privacy;
- o Purchase Card Program;
- o Receipt and Acceptance of Ordered Goods and Services;
- o TECS/SEACATS;
- o Time and Attendance;
- o Travel Card Program;
- o Uniforms Management;
- o Vehicle Management; and
- o Workers' Compensation.
- During the 2018 Cycle, OI managers in Headquarters and field office locations conducted self-assessment activities performing, certifying, and/or approving the results of office self-inspections. OI completed a total of 55 self-inspection worksheets containing a total of 202 questions. The question compliance rate was 91.05%. To date, five (5) worksheets with 15 questions are pending corrective actions by August 31, 2018.
- The evaluations identified programs and/or activities with systems of controls that are adequate, with the exception of the conditions identified below:
  - Employee Separations – The SIP report indicated a deficiency in ensuring that supervisors created separation requests using the CBP Employee Separations link under Employee Services. To remediate this finding, on February 14, 2018, OI participated in a training session with HRM on the CBP Separation Process. The activity is pending completion by August 31, 2018.
  - Mandatory Supervisory Training – The SIP report indicated a deficiency in the following areas below:
    - Ensuring that all new, permanent supervisors and managers who have reached their 18-month anniversary of their appointment during the review period complete the appropriate mandatory leadership training. To remediate this finding, OI will provide additional guidance and awareness for managers and new supervisors on the training requirements. This activity is pending completion by August 31, 2018.
    - Ensuring that all new, permanent supervisors and managers who reached their 18-month anniversary of their appointment during the review period and NOT complete the mandatory training received an approved waiver from a CBP Division Director or equivalent. To remediate this finding, OI will provide training to the Division Directors or equivalent on the waiver requirements. The activity is pending completion by August 31, 2018.
    - Ensuring that all permanent supervisors and managers (beyond their 18-month probationary period) complete the required 12 hours of continuous learning plus 12 hours of give-back activities during the inspection cycle. To remediate this finding, OI will notify the supervisors and managers of the annual requirements. The activity is pending completion by August 31, 2018.
  - Occupational Safety & Health – Training – The SIP report indicated a deficiency in the following areas below:

- Ensuring all Supervisors complete the HRM/OSH Division sponsored Supervisor Safety Training (SST) or acceptable substitute. To remediate this issue, OI will issue recurring notifications to OI supervisors and managers to ensure completion of the required Performance and Learning Management System (PALM) training. This activity is pending completion by August 31, 2018.
- Ensuring that members of the Safety Committee that services the reporting location have been appropriately trained for their roles as committee members. To remediate this finding, OI is working with the assigned Safety Officer to identify appropriate steps to join the existing safety committee structure. This activity is pending completion by August 31, 2018.

- Purchase Card Program – The SIP report indicated a deficiency in the following areas below. Part of this deficiency is collecting supporting documentation from the Purchase card holders. These issues are currently under remediation.
  - Obtaining 3rd party inspection and acceptance for all purchases with the purchase card.
  - Including records (i.e. DHS Form 1501, sale slips, shipping receipts, order confirmations, email approvals) as supporting documentation.
  - Ensuring purchases were made in accordance with established policies and guidelines governing the use of the purchase card.
  - Ensuring that convenience checks were used only when a vendor would not accept payment via the purchase card.
  - Ensuring that the monthly statements that were reconciled by the Cardholder (or the Approving Official in the Cardholder's absence) were approved by the Approving/Alternate Approving Official by the 26th of each month.
  - Ensuring that for any disputed item identified during the reconciliation of the monthly statement that the Cardholder disputed the transaction with the Card Issuing Bank within 90 calendar days of receipt of the statement.
  - Ensuring that for $10K Cardholders, that the required additional information was provided on the PCPO to support purchases over $3,500 up to $10,000.

- Travel Card Program - The SIP report indicated a deficiency in the following areas below:
  - Ensuring the Manager review and sign the CBP Travel Card Review Checklist on a quarterly basis. After OI's primary Travel Card Point of Contact (POC) departed from OI, there was a significant gap in the travel roles and responsibilities. To remediate this finding, OI transferred the Travel Program to a new POC, who will begin the process in correcting this requirement going forward. This activity is pending completion by August 31, 2018.
  - Ensuring that LPCs report abuse and misuse of travel cards (including delinquencies of more than 30 days) to appropriate management officials. To remediate this finding, OI transferred the Travel Program to a new

POC, who will begin the process in correcting this requirement going forward. This activity is pending completion by August 31, 2018.

- GAO Review – "Threat of Chemical Terrorism." This is a GAO review on what extent DHS (1) has policies, procedures, organizations, programs, and activities focused on preventing, protecting, preparing for, responding to, and recovering from attacks using chemicals or chemical warfare agents; (2) does to assess the adequacy of its chemical defense mission and efforts and how does DHS address any gaps, such as resource or technological constraints, or response capability; and (3) how a proposed reorganization of DHS headquarters activities affect DHS' chemical mission and efforts. A final report has yet to be made.
- OIG Review – "DHS Insider Threat Operations Center for Unclassified DHS Systems and Networks." This is an OIG review to determine whether the DHS Office of the Chief Security Officer has effectively implemented a Department-wide capability to monitor, detect, and respond to malicious insider threat activities on unclassified DHS systems and networks. The Office of Information and Technology is currently taking the lead for this review.
- OIG Review – "DHS Use of Covert Vulnerability Assessments." This OIG review is to help OIG better understand DHS' overall risk environment for covert vulnerability testing. Specifically, OIG is looking for all offices within DHS components and programs that conduct covert vulnerability assessments of their employees, operations, and processes under live circumstances. A final report has yet to be made.
- OIG Review – "Effectiveness of CBP Covert Testing Program." This OIG review is to determine whether CBP's covert testing is identifying vulnerabilities with ports of entry and whether CBP is using the results to address the identified vulnerabilities. A final report has yet to be made.

Law Enforcement Safety and Compliance Directorate
Based on these evaluations, I can state with reasonable assurance that the system of controls are adequate for the programs and/or activities listed below:
- Management knowledge gained from internal assessments
- GAO or OIG audits and special reports
- Self-Inspection Program (SIP) cycle results
    - Awards
    - Badges & Credentials
    - Body Armor
    - Diversity and Civil Rights
    - Employee Separations
    - Firearms/Less-Lethal Training and Use of Force
    - Fleet Card Program
    - Major Acquisitions
    - Mandatory Employee Verification
    - Mandatory Supervisory Training
    - Occupational Safety & Health
    - Physical Computer Security/ System, Access
    - Purchase Card Program
    - TECS/ SEACATS